Ohio Office of Budget and Management

State of Ohio
Robert H. Taft
Governor

OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2001

Featured on the cover: The State of Ohio's home page on the Internet can be found at www.ohio.gov. In April 2001, the State unveiled a redesign of its Internet site, which features a portal that is a single point of initial contact for users interested in the State and its services.

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OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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STATE OF OHIO

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INTRODUCTORY SECTION

State of Ohio · Office of Budget and Management
30 East Broad Street · Columbus, Ohio 43266-0411

November 16, 2001

To the Governor, the Honorable Members of the General Assembly, and the Citizens of Ohio:

It is my privilege to issue the *Ohio Comprehensive Annual Financial Report* (CAFR) on the financial condition of the State of Ohio for the fiscal year ended June 30, 2001. The report is prepared in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The Ohio Office of Budget and Management pursuant to Section 126.21, Ohio Revised Code, which requires that an official financial report of the State be issued annually, prepared this report. The report includes General-Purpose Financial Statements, which provide an overview of the State's financial position and the results of financial operations by fund type.

The Office of Budget and Management is responsible for the accuracy of the data presented and the completeness and fairness of its presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the State of Ohio. All disclosures necessary to enable the reader to gain an understanding of the State's financial activities have been included.

The State's General-Purpose Financial Statements include all funds and account groups that comprise the State's legal entity or primary government. The State's reporting entity is also comprised of its component units for which the elected officials of the State's primary government are financially accountable. We followed the criteria of GASB Statement No. 14, *The Financial Reporting Entity,* to determine the organizations for which the State is financially accountable. NOTE 1A to the financial statements explains more fully which financial activities are included in the State's reporting entity.

The CAFR includes the following: introductory section; financial section that presents the General-Purpose Financial Statements, combining financial statements, supporting schedules, and fund descriptions; and a statistical section that presents financial, economic, and demographic data for Ohio.

FINANCIAL PRESENTATION

The data in the financial statements are presented in accordance with a fund classification system prescribed by the GASB. The purpose of this system is to improve the comparability of the financial reports of different governmental units. Funds reported for the State's primary government and its component units are classified into four categories: governmental, proprietary, fiduciary, and college and university. Each category reported for the primary government is divided into the following "fund types."

Governmental fund types are those through which State functions are financed. Governmental fund types include the General, special revenue, debt service, and capital projects funds.

Proprietary fund types account for activities that are commercial in nature — similar to those often found in the private sector. Proprietary fund types include the enterprise and internal service funds.

Fiduciary fund types include trust funds, which account for assets held by the primary government in a trustee capacity, and agency funds, which account for assets held by the primary government as an agent for individuals, private organizations, other governments, and/or other funds.

The reporting format for our CAFR is significantly different from the way the State more typically presents its finances on a non-GAAP budgetary basis. The most obvious difference is that the "General Fund" in the CAFR includes more than just the State's General Revenue Fund. The General Fund also includes other funds such as the reimbursement-supported funds used for activities administered by state agencies and departments for which special revenue or proprietary fund classifications were considered to be inappropriate. Furthermore, the majority of budgetary expenditures reported in the General Revenue Fund for the support of higher education have been reclassified on a GAAP basis to "operating transfers to component units," as required by the reporting requirements of GASB Statement No. 14.

INDEPENDENT AUDIT RESULTS

The General-Purpose Financial Statements have been audited by the Office of the Auditor of State, Jim Petro. The outcome of the audit conducted by the Auditor of State, in accordance with generally accepted auditing standards, was an unqualified auditors' report. This opinion indicates there was no limitation on the scope of the auditors' examination and the financial statements were presented fairly, in all material respects, in conformity with GAAP.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The State's management is responsible for establishing and maintaining internal control designed to ensure that the State's assets are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management.

In fiscal year 1992, an executive order initiated the Internal Accounting Control Program (IACP). The IACP establishes written guidelines for state agencies to follow during periodic management reviews of their accounting operations. Under the program, agencies are required to formally establish, maintain, and annually evaluate and report on internal accounting control.

The State's Central Accounting System (CAS) achieves budgetary control over the various accounts of the State's funds. Ohio's bicameral legislature, the General Assembly, authorizes expenditures by appropriating funds in biennial and supplemental appropriation acts. The Office of Budget and Management uses CAS to control departmental obligation and expenditure activity to ensure authorized appropriations are not exceeded.

The State's non-GAAP budgetary financial statements are prepared on a modified cash basis of accounting. This means that revenues are recognized when cash is received and expenditures are recognized when cash is paid. Encumbrances, reservations of appropriation authority as of June 30, the end of the State fiscal year, are reflected as expenditures on the budgetary basis of accounting.

The State's GAAP financial statements for the governmental, expendable trust, and agency funds have been prepared on a modified accrual basis of accounting. This means that revenues are recognized when measurable and available; expenditures are recognized when goods or services are received or liabilities are incurred. The proprietary, pension trust, and investment trust funds are accounted for on the accrual basis of accounting. This means that revenues are recognized when earned and expenses are recognized when incurred. Additional discussion of the budgetary and GAAP bases of accounting is provided in NOTE 1 to the financial statements.

The CAS maintains all non-GAAP budgetary basis transactions and most GAAP basis adjustments. In addition to the information obtained from the CAS for financial reporting, selected financial information provided by the State's agencies and departments is compiled to complete the GAAP basis financial statements.

Differences between the two bases of accounting (GAAP vs. non-GAAP budgetary) include: 1) entity differences — the GAAP reporting entity may include organizations such as financing authorities and other component units that are not included in the State's budget; 2) basis differences — the GAAP basis results in the reporting of accruals while the non-GAAP budgetary basis results in the reporting of cash transactions; and 3) timing differences — for example, GAAP recognizes expenditures for payables for goods and services received, whereas the non-GAAP budgetary basis considers unliquidated encumbrances as expenditures. A reconciliation between the GAAP basis and non-GAAP budgetary basis fund balances is presented in NOTE 3 to the financial statements.

CASH MANAGEMENT

In Ohio, with the exception of certain organizations within the State's reporting entity that have independent powers to manage and invest their funds, the Treasurer of State is responsible for investing the State's cash and investments pool. During fiscal year 2001, cash management and investment transactions made by the Treasurer of State's Office, in accordance with the Uniform Depository Act, were limited to checking accounts and certificates of deposit with qualified public depositories, U.S. government and agency obligations, commercial paper, repurchase agreements, bankers' acceptances, bonds of foreign nations diplomatically recognized by the United States, and security lending agreements. Legal requirements for the investment of funds maintained in the State's cash and investments pool are discussed in NOTE 4 to the financial statements.

Quarterly, the Office of Budget and Management allocates the investment income earned on the cash and investments pool to the various funds designated by law to receive the earnings. The allocation is calculated in accordance with a formula based on

Revenues	FY 2001 Amount	Percent of Total	Increase/ (Decrease) from FY 2000	Percentage Increase/(Decrease) from FY 2000
Income Taxes	$ 8,302,892	26.2%	$ 204,737	2.5%
Sales Taxes	6,248,705	19.7	15,616	0.3
Corporate and Public Utility Taxes	1,726,263	5.5	28,293	1.7
Motor Vehicle Fuel Taxes	1,457,454	4.6	(1,920)	(0.1)
Other Taxes	930,338	2.9	17,252	1.9
Licenses, Permits and Fees	1,219,605	3.8	63,226	5.5
Sales, Services and Charges	83,891	0.3	(3,090)	(3.6)
Federal Government	10,433,668	32.9	1,112,434	11.9
Tobacco Settlement	315,812	1.0	(96,458)	(23.4)
Investment Income	486,817	1.5	43,251	9.8
Other	514,544	1.6	32,688	6.8
Total	$31,719,989	100.0%	$1,416,029	4.7

average daily cash balances invested over the quarter. The Ohio Lottery Commission's investment portfolio, which is dedicated to the payment of deferred lottery prizes and is accounted for as part of the cash and investments pool, however, is not part of the investment earnings allocation just described. Instead, the Treasurer of State credits the investment earnings from the dedicated portfolio directly to the credit of the fund that accounts for this activity.

GENERAL GOVERNMENTAL FUNCTIONS

The table above presents a summary of revenues, recorded on the modified accrual basis, for the governmental fund types (General, special revenue, debt service, and capital projects funds) for the fiscal year ended June 30, 2001, and the amount and percentage increases and decreases in relation to prior-year's revenues after restatement for a fund reclassification (dollars in thousands).

Significant increases and decreases reported for the State's *major* revenue sources are explained as follows:

- Licenses, permits and fees increased by $63.2 million or 5.5 percent primarily because of fees collected for the Universal Service Program, which began in fiscal year 2001 to provide assistance to low-income electric utility customers.

- An increase of $1.11 billion or 11.9 percent in federal government revenue is primarily due to increases in federal reimbursements for the Medicaid and Temporary Assistance for Needy Families programs.

- Tobacco settlement revenue decreased $96.5 million or 23.4 percent. This revenue is received under terms of the Master Settlement Agreement, as explained further in NOTE 22E.

- Investment income increased $43.3 million or 9.8 percent. Most of the increase is reported in the Highway Operating and the Tobacco Settlement special revenue funds.

- A significant share of the $32.7 million or 6.8 percent increase in other revenue is attributable to increased collections from local government units for their share of highway project costs and from miscellaneous collections at the Department of Natural Resources, the Environmental Protection Agency, and the Department of Job and Family Services.

Expenditures for governmental fund types, presented on the modified accrual basis, for the fiscal year ended June 30, 2001, and the amount and percentage increases and decreases in relation to prior-year's expenditures after restatement for a fund reclassification and certain expenditure reclassifications are shown in the table on the following page for the functions of general government (dollars in thousands).

Expenditures	FY 2001 Amount	Percent of Total	Increase/ (Decrease) from FY 2000	Percentage Increase/(Decrease) from FY 2000
Current:				
Primary, Secondary and Other Education	$ 7,194,883	22.9%	$ 560,702	8.5%
*Higher Education Support**	506,511	1.6	67,374	15.3
Public Assistance and Medicaid	10,894,942	34.7	1,406,563	14.8
Health and Human Services	2,555,221	8.1	(58,632)	(2.2)
Justice and Public Protection	2,232,421	7.1	65,019	3.0
Environmental Protection and Natural Resources	340,574	1.2	(13,606)	(3.8)
Transportation	1,756,201	5.6	75,465	4.5
General Government	468,791	1.5	(106,785)	(18.6)
Community and Economic Development	541,166	1.7	88,650	19.6
Intergovernmental	3,361,184	10.7	103,552	3.2
Capital Outlay	411,817	1.3	(217,936)	(34.6)
Debt Service	1,137,537	3.6	83,542	7.9
Total	$31,401,248	100.0%	$2,053,908	7.0

*During fiscal year 2001, the State also provided $1.99 billion in support of higher education institutions through operating transfers to the component units. This represents about a 4.1 percent increase in funding from fiscal year 2000 (as restated) when the State transferred $1.91 billion for this purpose.

Significant increases and decreases for the State's *major* expenditure categories are explained as follows:

- The $560.7 million or 8.5 percent increase in primary, secondary and other education expenditures primarily occurred at the Department of Education.

- Higher education support expenditures increased $67.4 million or 15.3 percent due to increased spending for local community colleges and technical colleges.

- Spending at the Department of Job and Family Services greatly contributed to the $1.41 billion or 14.8 percent increase in public assistance and Medicaid expenditures.

- The $106.8 million or 18.6 percent decline in general government expenditures resulted from a decrease in the payment of borrower rebates arising from the State's cash and investment pool's participation in securities lending activities during fiscal year 2001.

- Community and economic development expenditures grew by $88.7 million or 19.6 percent. The majority of the rise is due to increased spending in the special revenue fund at the Department of Development for both the Universal Service Program, which was newly established during fiscal year 2001, and the Home Energy Assistance Program and other community and economic development programs at the department accounted for in the General Fund.

- The majority of the $217.9 million or 34.6 percent decrease in capital outlay expenditures resulted from reductions in construction of adult correctional facilities, highway capital improvements, parks and natural resources projects, and state facilities.

- Debt service expenditures rose $83.5 million or 7.9 percent to meet increased principal repayment and interest requirements for general obligation bonds issued for local infrastructure improvements, highway capital improvements, and capital construction for higher education institutions and local school districts.

An additional analysis of revenues and expenditures for all governmental funds reported for fiscal year 2001 is shown in the graphic presentation that follows this letter.

GENERAL FUND

For fiscal year 2001, the General Fund reported the following balances and the amount and percentage increases and decreases in relation to prior-year's balances after restatement for a fund reclassification (dollars in thousands).

General Fund	Balance, as of and for the year ended June 30, 2001	Increase/ (Decrease) from FY 2000	Percentage Increase/(Decrease) from FY 2000
Unreserved/Undesignated Fund Balance	$ 167,919	$ (156,393)	(48.2)%
Total Fund Balance	1,880,898	(841,387)	(30.9)
Total Revenues	20,929,044	686,934	3.4
Total Expenditures	18,850,108	1,521,420	8.8

The 30.9 percent decrease in the General Fund's total fund balance primarily resulted from growth in expenditures and transfers-out that exceeded growth in revenues and transfers-in by $640.2 million and from the $201.2 million prior period adjustment to beginning fund balance, as further discussed in NOTE 2A.

As of June 30, 2001, the State's primary government designated $13.1 million for budget stabilization purposes, as detailed in NOTE 19, and reserved $1.7 billion in fund balance for a total designated and reserved fund balance of approximately $1.71 billion for the General Fund. This is compared to a total designated and reserved fund balance of approximately $2.40 billion, as of June 30, 2000. Total fund balance reserves for the General Fund decreased by $38.5 million or 2.2 percent since June 30, 2000. Unreserved/designated fund balance for the General Fund decreased $646.5 million or 98 percent since the end of the last fiscal year primarily because no amount was designated for the Income Tax Reduction Program, as of June 30, 2001. The unreserved/undesignated fund balance decreased by $156.4 million, which is 48.2 percent less than the unreserved/undesignated balance reported, as of June 30, 2000.

PROPRIETARY AND FIDUCIARY FUNDS

The State's enterprise funds reported retained earnings of $4.75 billion, as of June 30, 2001, as compared to $6.71 billion in retained earnings, as of June 30, 2000. These results were caused primarily by the Workers' Compensation Enterprise Fund, which reported a retained earnings balance of $4.52 billion, as of June 30, 2001, as compared to a $6.45 billion retained earnings balance, as of June 30, 2000, a 30 percent decrease. Operating revenues for the enterprise funds decreased to $5.22 billion in fiscal year 2001 from $7.15 billion in fiscal year 2000; operating expenses increased to $6.45 billion in fiscal year 2001 from $5.25 billion in fiscal year 2000. The decrease in operating revenues primarily resulted from decreases in premium and assess-ments revenue and investment income for the Workers' Compensation Enterprise Fund. The increase in operating expenses is mostly attributable to an increase in payments for premium dividend credits and rebates and benefits and claims from the Workers' Compensation Enterprise Fund.

The State's internal service funds reported retained earnings of approximately $75.7 million, as of June 30, 2001, as compared to $77.3 million, as of June 30, 2000, a 2.1 percent decrease. Fiscal year 2001 operating revenues totaling $303.3 million had increased by $17.0 million, or 6.0 percent, since fiscal year 2000. Fiscal year operating expenses totaling $307.5 million, however, had decreased by $7.1 million, or 2.3 percent, since fiscal year 2000.

The fund balance of the expendable trust funds grew approximately 8.3 percent to $3.06 billion, as of June 30, 2001, from $2.82 billion, as of June 30, 2000. This increase in fund balance was due largely to the introduction of the Variable College Savings Plan, which was first introduced during fiscal year 2001. Revenues for the expendable trust funds rose to $1.38 billion in fiscal year 2001 from $950.3 million in fiscal year 2000; expenditures increased to $1.11 billion in fiscal year 2001 from $768.8 million in fiscal year 2000.

Net assets of the pension trust fund were approximately $608.3 million, as of June 30, 2001, as compared to $634.8 million, as of June 30, 2000, a 4.2 percent decrease. Total additions to plan net assets for the pension trust fund decreased to $7.2 million in fiscal year 2001 from $64 million in fiscal year 2000, an 88.7 percent decrease, while total deductions to plan net assets increased to $33.7 million in fiscal year 2001 from $31.1 million in fiscal year 2000, an 8.4 percent increase. The sharp decrease in fiscal year 2001 additions is due to an overall decline in investment income; the increase in deductions is due to pension benefit and healthcare claims paid and transfers to other retirement systems.

The State Treasury Asset Reserve of Ohio (STAROhio) Investment Trust Fund reported net investment income of $371.9 million in fiscal year 2001, as compared to $305.8 million in fiscal year 2000, and net assets held in trust for pool participants was $8.40 billion, as of June 30, 2001, as compared to $5.25 billion, as June 30, 2000, a 59.9 percent increase. STAROhio is a State-sponsored external investment pool, which the Treasurer of State administers for local government participants.

DEBT ADMINISTRATION

Ohio's credit ratings for general obligation debt are Aa1 by Moody's Investors Service, Inc. (Moody's) and AA+ by Fitch Inc. (Fitch). Standard & Poor's Ratings Services (S&P) rates the State's general obligation debt AA+, except for Highway Capital Improvement Obligations, which are rated AAA.

State obligations (issued by the Ohio Building Authority and the Treasurer of State) secured by General Revenue Fund appropriations are rated Aa2 by Moody's and AA by S&P and Fitch. As of June 30, 2001, the State's primary government reported a total of $8.99 billion in outstanding liabilities in its General Long-Term Obligations Account Group as detailed in the table on the following page (dollars in thousands):

Type of Obligation	*Outstanding Balance, As of June 30, 2001*	*Percentage Increase/(Decrease) Since June 30, 2000*
General Obligation Bonds	$3,034,037	23.3%
Revenue Bonds and Notes	218,900	(6.0)
Special Obligation Bonds	4,744,055	(4.6)
Certificates of Participation	12,305	(15.7)
Other General Long-Term Obligations	981,781	0.4
Total	$8,991,078	3.8

For the proprietary funds, Ohio's primary government also reported $203.1 million (net of unamortized discounts of approximately $2.1 million) in revenue bonds, as of June 30, 2001.

RETIREMENT SYSTEMS

Employees of the primary government or its component units may be eligible to participate in the Public Employees Retirement System, the State Teachers Retirement System, the State Highway Patrol Retirement System, or the Alternative Retirement Plan. Further information on the State's participation in the different retirement systems can be found in NOTE 9 to the financial statements.

RISK MANAGEMENT

As discussed in NOTE 1N to the financial statements, the State's primary government is self-insured for claims under its traditional healthcare plan (OhioMed Health Plan) and for vehicle liability while it has placed public official fidelity bonding with a private insurer. The State self-funds tort liability and most property losses on a pay-as-you-go basis; however, selected state agencies have acquired private insurance for their property losses. Also, the State's primary government participates in a public entity risk pool, which is accounted for in the Bureau of Workers' Compensation Enterprise Fund, for the financing of its workers' compensation liability.

ECONOMIC OVERVIEW AND OUTLOOK

The U.S. economy has been significantly derailed by the September 11 terrorist attacks on New York and Washington D.C. The economy, which was arguably just skirting recession prior to the attacks, is now engulfed in a full-blown downturn. The only question now is how severe the recession will be.

Growth in the U.S. economy shrank in the third quarter of 2001 to its lowest performance in more than 10 years. Real Gross Domestic Product (GDP), the total value of goods and services produced in the U.S. and adjusted for inflation, fell at 0.4 percent annual rate in the third quarter of this year, following a 0.3 percent growth rate in the second quarter. Many economists expect the worst performance of the U.S. economy to come in the fourth quarter of this year.

The American consumer remains the key. Consumers have been widely and justly credited with keeping the U.S. economy out of recession through the second quarter of 2001. However, consumers respond to headline numbers. Massive corporate layoffs and the recent jump in the unemployment rate have definitely unsettled consumer confidence. Following the September 11 attacks, consumers have taken flight, too shocked and too scared to spend. In fact, holiday celebrations this year are expected to be subdued, and consumer spending which makes up two-thirds of the U.S. economy, may actually decline in the fourth quarter for the first time since 1991.

In an effort to stimulate the U.S. economy, the Federal Reserve Board (Fed) has lowered short-term interest rates ten times since the start of this year. At its November meeting the Fed cut the federal funds rate, a benchmark for short-term interest rates, by another fifty basis points. The federal funds rate now stands at two percent, the lowest level in 40 years.

The Fed remains extremely concerned about the fragile state of consumer confidence and the shattered state of the U.S. economy in general. In its comments, the Fed indicated that it stands ready to further adjust interest rates until it sees concrete evidence of a turn in economic activity.

The outlook for the Ohio economy has also deteriorated since the beginning of the current budget cycle in July 2001. Ohio's economy is now in a recession that has been characterized by widespread layoffs and falling corporate profits that will likely last into next year. The state's fiscal conditions have changed rapidly in recent months. In addition to increasing demands for more government spending on human service programs in response to the weakening economy, the state's revenue picture has taken a turn for the worse. As a result, the state's personal income, corporate income and sales tax revenues were under severe pressure, and unable to reach projected levels of collections.

MAJOR INITIATIVES AND PROJECTS

The State Operating Budget

In June 2001, Governor Bob Taft signed into law Amended Substitute House Bill 94, which when combined with other legislation authorizing expenditures, provides over $45.1 billion in General Revenue Fund (GRF) dollars and over $90.9 billion in all funds for the fiscal year 2002-2003 operating budget of the State of Ohio including funding for primary and secondary education. The GRF is a non-GAAP budgetary basis operating fund reported in the General Fund. The budget as enacted is balanced and does not include any new taxes. The budget provides significant increases for primary and secondary education while holding the line on spending for overhead and department operations of other state agencies, boards and commissions. Within this context, the budget reflects the Taft Administration's four broad goals of 1.) enabling every child to succeed, 2.) promoting prosperity, 3.) caring for those in need, and 4.) promoting public health and public safety.

Primary and Secondary Education

The highest priority of the state is giving children the opportunity to succeed. This is reflected in the fiscal year 2002-2003 budget, which provides 62.7 percent of all new GRF dollars to support education at all levels and implements a new school funding formula that guarantees that every school child in Ohio will have access to the resources necessary for a quality education. Total state support for primary and secondary education totals $7.4 billion in fiscal year 2002 (an eight-percent increase over fiscal year 2001) and $7.8 billion in fiscal year 2003 (a five-percent increase over fiscal year 2002). Pursuant to the new school funding formula, per pupil spending will increase to $4,814 in 2002 (an increase of 12.1 percent over fiscal year 2001) and $4,949 in 2003 (an increase of 2.8 percent over fiscal year 2002). Per pupil spending should rise to $5,527 by fiscal year 2007. The funding model is based on successful 1999 local school districts and removes those districts that fall within the top and bottom five percent of districts with regard to income and property wealth.

The budget also provides additional funding for new academic standards, student assessment, school improvement initiatives, student intervention services, students with special needs, the creation of parity aid which will provide increased aid for low-wealth school districts, all-day kindergarten for 50 additional districts and 12,000 more children, and more training for teachers and principals. House Bill 94 also provides $300 million to fund the next installment of the school facilities plan, and makes a permanent commitment to providing advanced technology in classrooms for all grades by dedicating all of the money in the Tobacco Settlement Education Technology Trust Fund to the Ohio SchoolNet Commission. This will provide funding for the acquisition of hardware, as well as to support the infrastructure that has been developed, and to provide professional development opportunities for teachers to learn to incorporate this technology into the curriculum.

Also in June, the Governor signed into law Senate Bill 1, which implements the recommendations of the Governor's Commission for Student Success. The purpose of the Commission was to recommend solutions to improve Ohio's schools significantly. The Commission recommended a systematic approach that meets the needs of the students and is based on good standards and common sense. The recommendations, as translated into law are to:

- Set clear, rigorous and reasonable academic standards;
- Create a system of assessments to measure student performance against the standards;
- Develop intervention strategies to produce real and lasting improvements in student learning; and
- Reward success and correct failure by developing an accountability system that is fair and focused on the performance of each school.

The budget provides the resources to accelerate work in areas where reform is already taking place, and to begin work in new areas.

Rebuilding Ohio's Schools

One of the cornerstones of Ohio's new school funding systems is Governor Taft's Rebuild Ohio Plan – a 12-year plan to provide funding to repair or replace every school building in Ohio that needs it. The plan will allow every Ohio school child to be able to learn in safe, modern facilities and give school districts the capability to create customized classrooms and instruction tailored to meet students' needs. The Ohio School Facilities Commission (OSFC), charged with providing funding to public school districts and overseeing the construction and renovation of school facilities, has disbursed over $2 billion, and is currently spending approximately $1.75 million a day. Funding helps pay for renovations, repairs, and new construction of Ohio's primary and secondary schools, in accordance with the 12-year, $10 billion school facilities plan. Twenty new school buildings were opened during calendar year 2000, and 31 more are scheduled to open by the end of calendar year 2001. OSFC has more than 300 school buildings in 37 local school districts in various phases of design or construction, representing a combined state and local commitment of $1.72 billion. No other state in the nation has adopted such an ambitious building program.

Primary and Secondary Education — Ohio Supreme Court Case Update

On September 6, 2001 the Ohio Supreme Court issued its third ruling in the long-running school funding case. The court found constitutional the basic principles of the new school funding formula. The funding formula adequately addresses such issues as the over-reliance on local property taxes, funding for special education, vocational education and student transportation costs. However, the Court has ordered additional action on the remaining areas of concern; faster implementation of parity aid and changes to the base funding formula. Estimates to address the Court's concerns are as much as $1.24 billion for fiscal year 2002.

The Ohio Supreme Court has reconsidered the DeRolph III decision in light of the Attorney General's motion for reconsideration, and has referred the issues raised in the motion to a mediator for settlement. The Attorney General asked the Court to reconsider those portions of its decision that 1.) require the elimination of the five-percent wealth screens and 2.) make the Court's adjustments to the base-cost formula retroactive to July 1, 2001. The motion to reconsider was filed as a result of the Court's reviewing incorrect data; therefore, the Court was understandably misled in concluding that the purpose of applying the five-percent wealth screens was to reduce the base cost. Furthermore, the reconsideration was requested to accommodate the fact that current budgets are in place and that time is needed to make the necessary adjustments requested by the Court.

Workers Compensation Rate Reductions

The Ohio Bureau of Workers' Compensation (BWC) approved on June 28, 2000, a 75-percent premium credit for private employers for the policy periods July 1, 2000 through December 31, 2000 and January 1, 2001 through June 30, 2001, which resulted in the return of approximately $1.3 billion to these employers. On December 14, 2000, BWC awarded a $180 million refund of excess premiums and a one-time 75 percent premium reduction for the January 2001 policy period to public employer taxing districts, which resulted in a savings of approximately $200 million.

On April 24, 2001, BWC awarded to private employers another one-time 75-percent premium reduction for the policy periods July 1, 2001 through December 31, 2001 and January 1, 2002 through June 30, 2002. It is estimated that this reduction will result in a return of approximately $1.3 billion to these employers.

BWC attributes these savings to improved workplace safety and claims handling, as well as a better-than-expected return on investments. BWC's experience is markedly better than that of most other states, as during the past two years workers' compensation rates have continued to rise at the national level.

E-Commerce/Internet

In April 2001, the state unveiled the redesign of its Internet site. The redesign was one of the electronic government initiatives that Governor Taft announced in his 2000 State of the State address and led by the Governor's Council on Electronic Commerce. The state web portal, www.Ohio.gov, will improve access to vital state services through the Internet. The portal is designed to be a single point of contact for Ohio constituents via the Internet. The new portal is a customer-centric site that features an intentions-based design, allowing site visitors to go directly to the service or information they seek without having to know the appropriate state agency provider. Several transactional services are featured as links from the front page. In addition to the online transactional services, Ohio.gov also features information divided into categories according to the type of customer seeking information. Those categories are "resident," "business," "visitor," and "state employee." There also is a fifth category entitled "government," containing information about the various branches of government. The next release of Ohio's portal will feature portal personalization. A user will be able to request a user id and password, which will be the key to customizing a MyOhio.gov page that will feature the subject and geographical information of the individual user's interest.

Support for Ohio's Steel Industry

In order to protect and retain existing jobs in Ohio, in March 2001, Governor Taft signed Senate Bill 11, toughening the law prohibiting the use of foreign steel in public improvement projects supported by state capital funds. In addition to signing Senate Bill 11, the Governor has also created a $110 million Ohio Steel Development Initiative to provide grants and loans for strategic capital investments, tax exempt financing for pollution control equipment, grants for infrastructure improvements, and training dollars to upgrade the skills of workers. This initiative will help position Ohio's steel industry for future growth by becoming more competitive and efficient. The Governor also sent letters to President Bush and Commerce Secretary Dan Evans to discuss how the Federal Emergency Steel Loan Guarantee program can be updated to make it more accessible and beneficial to Ohio's steel companies.

Tax Amnesty Opportunity
For the first time in Ohio's history, taxpayers have the opportunity to settle delinquent taxes in full with no penalty and only half the amount of interest normally charged. Tax amnesty will be available through January 15, 2002 for taxes that were due on or before May 1, 2001, and for taxpayers whose liabilities are unknown to the Ohio Department of Taxation, meaning their taxes have not been billed or assessed, nor are they currently undergoing an audit. Taxes covered by the program include: personal and school district income taxes; sales and use taxes; employer and school district withholding taxes; pass-through entity taxes; corporate franchise taxes; public utility excise taxes; and personal property taxes. The Department of Taxation estimates that the program will generate about $17 million at the program's onset, and approximately $5 million annually in succeeding years from newly enrolled taxpayers.

Ohio Access
In June 2000, Governor Taft convened a work group charged with conducting a comprehensive review of Ohio's services and support systems for people with disabilities and making recommendations for improving these services over the next six years consistent with the following three guiding principles:

- Increase community capacity
- Prioritize resources
- Assure quality and accountability

The work group developed long-term recommendations in a written report submitted to Governor Taft on February 28, 2001. Within the long-term recommendations, short-term priorities were identified and included in the fiscal year 2002-2003 biennial budget. The budget included approximately $145 million over the span of the biennium for new initiatives and expansion of existing programs for Ohioans with disabilities. Examples include additional slots for home and community-based waivers, new opportunities for independent living, and a redesign of the Mental Retardation/Developmentally Disabled Medicaid delivery system.

Clean Ohio Fund (Issue 1)
In November 2000, Ohio voters approved Issue 1 to support community efforts for the protection of land and water resources. This $400 million bond fund will assist local communities to clean up and redevelop brownfield sites, protect green space, preserve farmland, improve water quality and expand Ohio's network of recreational trails and greenways. Implementation language of Issue 1 was approved by the General Assembly in the form of House Bill 3. This legislation was considered concurrent with the biennial budget bill and subsequently passed by the General Assembly.

House Bill 3 provides the first $100 million in capital funds for local projects. State funding, which will provide 75 percent of a project's total costs, will be matched by 25 percent funding from local political subdivisions, non-profit organizations, and charitable organizations. State funds will leverage an additional $33 million for a total of $133 million available funds for local projects from the program's initial appropriation. Monies are appropriated to four separate funds as follows:

- *Clean Ohio Conservation Fund* – The Public Works Commission will administer this fund, which has been appropriated $37.5 million in capital funds for the acquisition of open spaces and development of the open spaces for recreation purposes.

- *Clean Ohio Trail Fund* – The Department of Natural Resources will administer this fund, which has been appropriated $6.25 million in capital funds for the purchase of land or interests in land for recreational trails and for the construction of recreational trails.

- *Clean Ohio Agricultural Easement Fund* – The Department of Agriculture will administer this fund, which has been appropriated $6.25 million in capital funds for the purchase of agricultural easements.

- *Clean Ohio Revitalization Fund* – This fund, which the Department of Development will administer, is divided into two components that will receive $50 million in total appropriations. The first component provides $40 million to make grants for brownfield revitalization projects. The second component is the Clean Ohio Assistance Program, which will use $10 million for grants to distressed areas that will pay for assessments, cleanup, or remediation of brownfields. The grants will also be made for public health projects related to a release or threatened release of hazardous substances or petroleum at a property where little or no economic redevelopment potential exists.

CERTIFICATE OF ACHIEVEMENT
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Ohio for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2000. This was the 11th consecutive year that the State has achieved this prestigious award.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy

both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

ADDITIONAL INFORMATION

The Ohio Office of Budget and Management provides access to the fiscal year 2001 *Ohio Comprehensive Annual Financial Report*, fiscal year 2001 *Ohio Budgetary Financial Report*, and other State-related financial data and information on the Internet at http://www.state.oh.us/obm/.

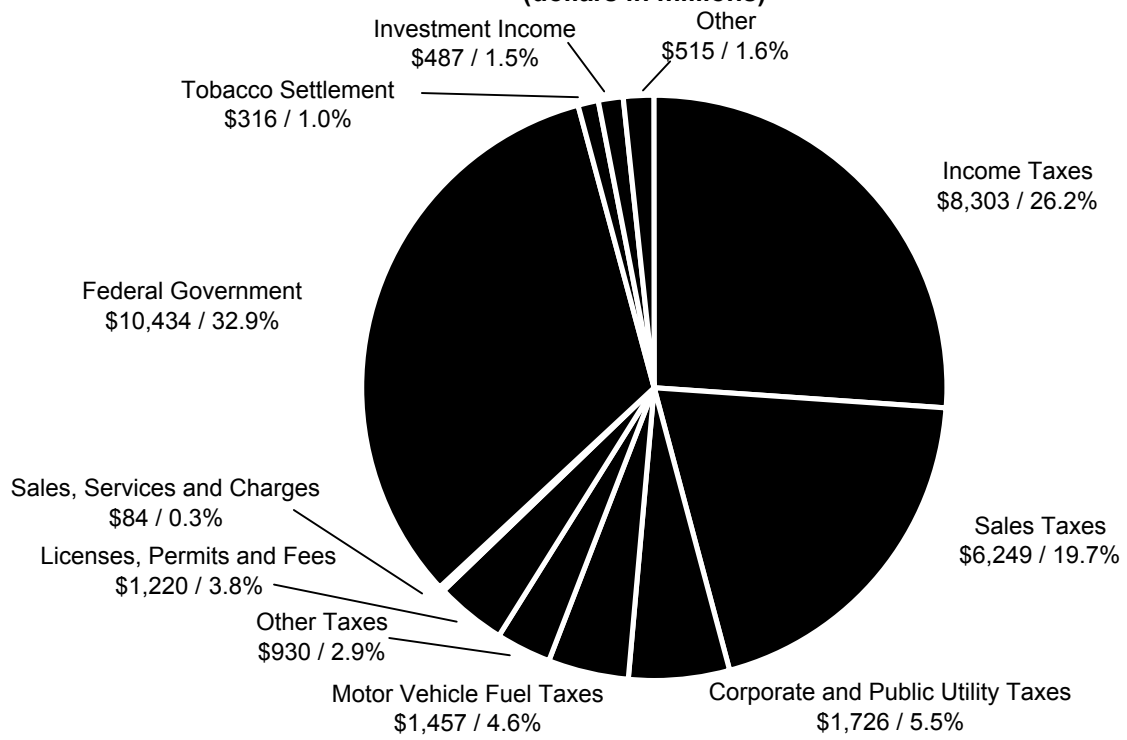
ACKNOWLEDGMENTS

In conclusion, I wish to express my appreciation to the staffs of the various State agencies whose time and dedicated efforts made this report possible.

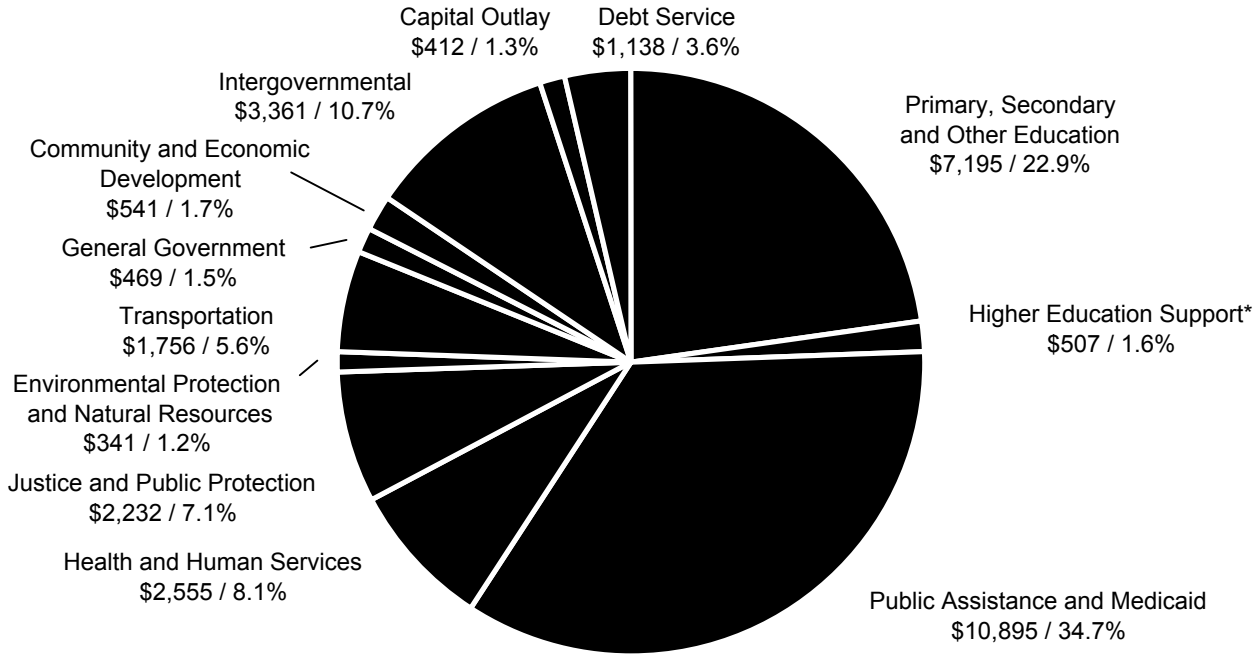
Sincerely,

Thomas W. Johnson
Director

GAAP Basis Revenues for All General Governmental Fund Types
Fiscal Year 2001
(dollars in millions)



GAAP Basis Expenditures for All General Governmental Fund Types
Fiscal Year 2001
(dollars in millions)



* In the governmental funds, budgetary expenditures for Higher Education Support totaling $1.99 billion are reported on a GAAP basis as "Operating Transfers to Component Units," as shown on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances, pages 24 and 25.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

STATE OF OHIO OFFICIALS

EXECUTIVE

Bob Taft
Governor

Maureen O'Connor
Lieutenant Governor

Betty D. Montgomery
Attorney General

Jim Petro
Auditor of State

Joseph T. Deters
Treasurer of State

J. Kenneth Blackwell
Secretary of State

LEGISLATIVE

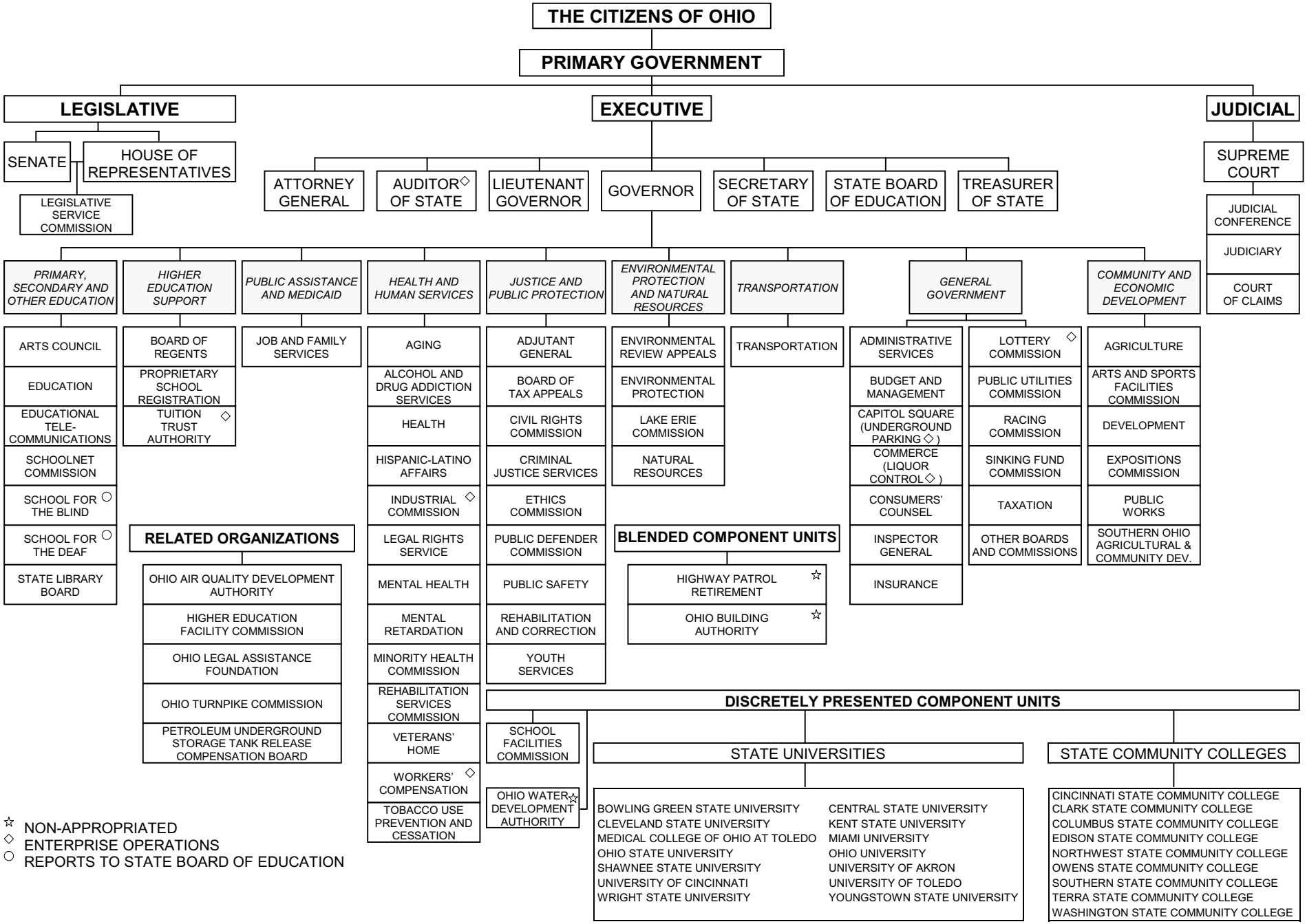
Richard H. Finan
President of the Senate

Larry Householder
Speaker of the House

JUDICIAL

Thomas J. Moyer
Chief Justice
Supreme Court

STATE OF OHIO ORGANIZATION CHART



FINANCIAL SECTION

STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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Columbus, Ohio 43215
Telephone 614-466-3402
800-443-9275
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Independent Accountants' Report

The Honorable Bob Taft, Governor
State of Ohio
Columbus, Ohio

We have audited the accompanying general-purpose financial statements of the State of Ohio, as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the following organizations which are a part of the primary government:

Capitol Square Review and Advisory Board	Office of the Auditor of State
Ohio Bureau of Workers' Compensation and Industrial Commission of Ohio	State Treasury Asset Reserve of Ohio
Treasurer of State Lease Revenue Bonds	Variable College Savings Plan

Also, we did not audit the following component units:

Blended

Ohio Building Authority	State Highway Patrol Retirement System

Discretely Presented

Bowling Green State University	Miami University	University of Toledo
Columbus State Community College	Ohio State University	Wright State University
Cleveland State University	Ohio University	Youngstown State University
Kent State University	University of Akron	
Medical College of Ohio at Toledo	University of Cincinnati	

In addition, we did not audit the financial statements of the Public Employees Retirement System, Police and Fire Pension Fund, State Teachers Retirement System, and School Employees Retirement System, whose assets are held by the Treasurer of State and are included as part of the State's trust and agency fund type. These financial statements reflect the following percentages of total assets or liabilities and revenues or additions of the indicated fund types, account groups, and discretely presented component units:

	Percent of Total Assets/(Liabilities)	Percent of Total Revenues/Additions
Debt Service Fund Type	36%	5%
Capital Projects Fund Type	1%	1%
Enterprise Fund Type	91%	50%
Internal Service Fund Type	28%	10%
Trust and Agency Fund Type	97%	46%
General Fixed Assets Account Group	7%	—
General Long-Term Obligations Account Group	(57%)	—
Discretely Presented Component Units	77%	87%

The financial statements of these independently audited organizations and the assets of these retirement systems were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the financial statements of these independently audited organizations and the amounts of the retirement systems audited by other auditors included in the fund types and account groups comprising the general-purpose financial statements is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and reports of other auditors, the general-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the State of Ohio at June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and discretely presented component unit for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2, the State of Ohio adopted the Governmental Accounting Standards Board Statement No. 33 and reclassified the School Facilities Commission as a discretely presented component unit during the year ended June 30, 2001.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the State of Ohio. Such information has been subjected to the auditing procedures applied in our audit of the general-purpose financial statements and the other auditors' audits of the various financial statements listed above and, in our opinion, based on our procedures and the procedures of other auditors, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the statistical section of this report and therefore, express no opinion thereon.

JIM PETRO
Auditor of State

November 16, 2001

GENERAL-PURPOSE FINANCIAL STATEMENTS

STATE OF OHIO

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS

JUNE 30, 2001

(dollars in thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS AND OTHER DEBITS				
Cash Equity with Treasurer	$ 2,280,736	$ 2,904,804	$ 59,696	$ 605,064
Cash and Cash Equivalents	10,752	37,373	1,605	—
Investments	—	434,934	56,706	10,286
Collateral on Lent Securities	1,003,251	1,342,627	26,995	265,663
Deposit with Federal Government	—	—	—	—
Receivables:				
Taxes	1,018,309	288,777	—	—
Intergovernmental	503,498	683,682	—	—
Premiums and Assessments	—	—	—	—
Investment Trade	—	—	—	—
Loans, Net	27,580	728,172	2,571	—
Other	10,953	75,102	696	1,974
Due from Other Funds	16,052	17,752	130	1,366
Inventories	770	30,368	—	—
Advances to Other Funds	—	20,000	—	—
Restricted Assets:				
Cash Equity with Treasurer	—	—	—	—
Cash and Cash Equivalents	—	—	—	—
Investments	—	—	—	—
Dedicated Investments	—	—	—	—
Collateral on Lent Securities	—	—	—	—
Other Receivables	—	—	—	—
Fixed Assets (net of accumulated depreciation)	—	—	—	—
Other Assets	243	4,473	—	—
Amount Available for Debt Service	—	—	—	—
Amount to be Provided for General Long-Term Obligations	—	—	—	—
TOTAL ASSETS AND OTHER DEBITS	**$ 4,872,144**	**$ 6,568,064**	**$ 148,399**	**$ 884,353**
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	$ 138,374	$ 307,252	$ —	$ 63,309
Medicaid Claims Payable	716,019	—	—	—
Accrued Liabilities	81,464	46,006	2,576	—
Obligations Under Securities Lending	1,003,251	1,342,627	26,995	265,663
Intergovernmental Payable	382,066	594,593	—	—
Investment Trade Payable	—	—	—	—
Due to Other Funds	36,899	3,579	—	200
Deferred Revenue	133,549	397,303	—	—
Benefits Payable	—	—	—	—
Refund and Other Liabilities	499,624	78,595	805	—
Liability for Escheat Property	—	—	—	—
Liabilities Payable from Restricted Assets	—	—	—	—
Advances from Other Funds	—	190,858	—	20,000
General Obligation Bonds	—	—	—	—
Revenue Bonds and Notes	—	—	—	—
Special Obligation Bonds	—	—	—	—
Certificates of Participation	—	—	—	—
Other General Long-Term Obligations	—	—	—	—
Total Liabilities	2,991,246	2,960,813	30,376	349,172
Fund Equity and Other Credits:				
Investment in General Fixed Assets	—	—	—	—
Contributed Capital	—	—	—	—
Reserved Retained Earnings	—	—	—	—
Unreserved Retained Earnings	—	—	—	—
Fund Balances:				
Reserved for:				
Debt Service	1,620	—	115,088	—
Encumbrances	560,560	3,364,727	—	629,457
Budget Stabilization	1,002,491	—	—	—
Variable College Savings Plan Participants	—	—	—	—
Noncurrent Portion of Loans Receivable	25,517	668,669	2,571	—
Employees' Pension and Other Postemployment Healthcare Benefits	—	—	—	—
Unemployment Benefits	—	—	—	—
External Investment Pool Participants	—	—	—	—
Restricted Fund Balances	—	—	—	—
Other	109,687	370,695	837	521
Unreserved/Designated	13,104	—	—	—
Unreserved/Undesignated (Deficits)	167,919	(796,840)	(473)	(94,797)
Total Fund Equity and Other Credits	1,880,898	3,607,251	118,023	535,181
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	**$ 4,872,144**	**$ 6,568,064**	**$ 148,399**	**$ 884,353**

The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS				
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	TOTAL PRIMARY GOVERNMENT (memorandum only)	COMPONENT UNITS	TOTAL REPORTING ENTITY (memorandum only)
$ 69,176	$ 55,205	$ 168,674	$ —	$ —	$ 6,143,355	$ 723,279	$ 6,866,634
1,697,933	235	250,584	—	—	1,998,482	291,640	2,290,122
17,240,178	1,626	136,503,192	—	—	154,246,922	4,512,683	158,759,605
1,995,855	24,335	1,778,447	—	—	6,437,173	315,784	6,752,957
—	—	2,214,245	—	—	2,214,245	—	2,214,245
—	—	136,476	—	—	1,443,562	—	1,443,562
—	2,207	24	—	—	1,189,411	46,463	1,235,874
1,138,723	—	—	—	—	1,138,723	—	1,138,723
506,890	—	—	—	—	506,890	—	506,890
—	—	—	—	—	758,323	2,371,808	3,130,131
321,512	27,210	44,896	—	—	482,343	615,635	1,097,978
1,688	36,903	3,826	—	—	77,717	722,553	800,270
26,829	18,803	—	—	—	76,770	43,392	120,162
—	—	190,858	—	—	210,858	—	210,858
19,565	—	—	—	—	19,565	—	19,565
—	—	—	—	—	—	6,193	6,193
—	38,667	—	—	—	38,667	156,117	194,784
1,614,467	—	—	—	—	1,614,467	—	1,614,467
508,251	—	—	—	—	508,251	—	508,251
5,625	—	—	—	—	5,625	—	5,625
193,390	26,010	171	4,205,159	—	4,424,730	9,918,387	14,343,117
19,885	437	447,592	—	—	472,630	785,610	1,258,240
—	—	—	—	116,708	116,708	—	116,708
—	—	—	—	8,874,370	8,874,370	—	8,874,370
$ 25,359,967	**$ 231,638**	**$ 141,738,985**	**$ 4,205,159**	**$ 8,991,078**	**$ 192,999,787**	**$ 20,509,544**	**$ 213,509,331**
$ 44,374	$ 27,877	$ 1,509	$ —	$ —	$ 582,695	$ 259,463	$ 842,158
—	—	—	—	—	716,019	—	716,019
34,510	10,606	1,315	—	—	176,477	746,674	923,151
1,995,854	24,335	1,778,447	—	—	6,437,172	315,784	6,752,956
—	—	90,281	—	—	1,066,940	1,006,715	2,073,655
1,538,047	—	137,951	—	—	1,675,998	—	1,675,998
2,473	4,025	29,317	—	—	76,493	722,553	799,046
428,788	243	—	—	—	959,883	229,626	1,189,509
12,504,943	—	44,937	—	—	12,549,880	—	12,549,880
1,818,386	—	127,490,129	—	—	129,887,539	159,429	130,046,968
—	—	102,218	—	—	102,218	—	102,218
2,062,996	—	—	—	—	2,062,996	—	2,062,996
—	—	—	—	—	210,858	—	210,858
—	—	—	—	3,034,037	3,034,037	—	3,034,037
177,472	25,646	—	—	218,900	422,018	3,053,107	3,475,125
—	—	—	—	4,744,055	4,744,055	—	4,744,055
—	—	—	—	12,305	12,305	11,105	23,410
—	—	—	—	981,781	981,781	—	981,781
20,607,843	92,732	129,676,104	—	8,991,078	165,699,364	6,504,456	172,203,820
—	—	—	4,205,159	—	4,205,159	8,645,415	12,850,574
411	63,232	—	—	—	63,643	—	63,643
197,254	—	—	—	—	197,254	—	197,254
4,554,459	75,674	—	—	—	4,630,133	1,661,293	6,291,426
—	—	—	—	—	116,708	—	116,708
—	—	—	—	—	4,554,744	157	4,554,901
—	—	—	—	—	1,002,491	—	1,002,491
—	—	427,732	—	—	427,732	—	427,732
—	—	—	—	—	696,757	—	696,757
—	—	608,318	—	—	608,318	—	608,318
—	—	2,285,549	—	—	2,285,549	—	2,285,549
—	—	8,397,663	—	—	8,397,663	—	8,397,663
—	—	—	—	—	—	2,991,243	2,991,243
—	—	190,858	—	—	672,598	—	672,598
—	—	—	—	—	13,104	541,332	554,436
—	—	152,761	—	—	(571,430)	165,648	(405,782)
4,752,124	138,906	12,062,881	4,205,159	—	27,300,423	14,005,088	41,305,511
$ 25,359,967	**$ 231,638**	**$ 141,738,985**	**$ 4,205,159**	**$ 8,991,078**	**$ 192,999,787**	**$ 20,509,544**	**$ 213,509,331**

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	DEBT SERVICE
REVENUES:			
Income Taxes	$ 7,446,990	$ 855,902	$ —
Sales Taxes	5,922,333	326,372	—
Corporate and Public Utility Taxes	1,604,402	121,861	—
Motor Vehicle Fuel Taxes	—	1,428,441	29,013
Unemployment Taxes	—	—	—
Other Taxes	872,706	57,632	—
Licenses, Permits and Fees	101,352	1,103,122	15,131
Sales, Services and Charges	40,895	42,996	—
Federal Government	4,508,747	5,924,921	—
Tobacco Settlement	—	315,812	—
Contributions from Plan Participants	—	—	—
Investment Income	234,590	197,336	16,696
Other	197,029	309,452	1,088
TOTAL REVENUES	**20,929,044**	**10,683,847**	**61,928**
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	5,559,113	1,635,770	—
Higher Education Support	437,525	15,714	—
Public Assistance and Medicaid	8,180,367	2,714,575	—
Health and Human Services	1,089,168	1,466,053	—
Justice and Public Protection	1,738,164	494,257	—
Environmental Protection and Natural Resources	125,878	214,696	—
Transportation	47,078	1,709,123	—
General Government	336,374	132,417	—
Community and Economic Development	144,320	396,846	—
INTERGOVERNMENTAL	1,189,845	2,171,339	—
CAPITAL OUTLAY	—	14,636	—
DEBT SERVICE	2,276	—	1,134,191
TOTAL EXPENDITURES	**18,850,108**	**10,965,426**	**1,134,191**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**2,078,936**	**(281,579)**	**(1,072,263)**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	122,968	5,230
Refunding Bond Proceeds	—	—	504,786
Payment to Refunded Bond Escrow Agents	—	—	(499,750)
Operating Transfers-in	207,488	1,658,581	1,062,978
Operating Transfers-out	(1,061,119)	(1,039,383)	(12,977)
Operating Transfers from Primary Government	—	—	—
Operating Transfers to Component Units	(1,864,717)	(138,063)	—
TOTAL OTHER FINANCING SOURCES (USES)	**(2,718,348)**	**604,103**	**1,060,267**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**(639,412)**	**322,524**	**(11,996)**
FUND BALANCES, JULY 1 (as restated)	2,521,051	3,264,004	153,962
Increase (Decrease) for Changes in Inventories	(741)	(3,220)	—
Residual Equity Transfers-in	—	23,943	—
Residual Equity Transfers-out	—	—	(23,943)
FUND BALANCES, JUNE 30	**$ 1,880,898**	**$ 3,607,251**	**$ 118,023**

The notes to the financial statements are an integral part of this statement.

	FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT (memorandum only)	COMPONENT UNIT	TOTAL REPORTING ENTITY (memorandum only)
CAPITAL PROJECTS	EXPENDABLE TRUST		SCHOOL FACILITIES COMMISSION	
$ —	$ —	$ 8,302,892	$ —	$ 8,302,892
—	—	6,248,705	—	6,248,705
—	—	1,726,263	—	1,726,263
—	—	1,457,454	—	1,457,454
—	666,125	666,125	—	666,125
—	—	930,338	—	930,338
—	—	1,219,605	—	1,219,605
—	—	83,891	15	83,906
—	16,333	10,450,001	—	10,450,001
—	—	315,812	—	315,812
—	433,544	433,544	—	433,544
38,195	155,600	642,417	84,484	726,901
6,975	107,707	622,251	3,039	625,290
45,170	**1,379,309**	**33,099,298**	**87,538**	**33,186,836**
—	—	7,194,883	4,247	7,199,130
53,272	—	506,511	—	506,511
—	1,056,026	11,950,968	—	11,950,968
—	—	2,555,221	—	2,555,221
—	—	2,232,421	—	2,232,421
—	—	340,574	—	340,574
—	—	1,756,201	—	1,756,201
—	54,456	523,247	—	523,247
—	—	541,166	—	541,166
—	—	3,361,184	574,919	3,936,103
397,181	—	411,817	—	411,817
1,070	—	1,137,537	—	1,137,537
451,523	**1,110,482**	**32,511,730**	**579,166**	**33,090,896**
(406,353)	**268,827**	**587,568**	**(491,628)**	**95,940**
775,630	—	903,828	203,393	1,107,221
—	—	504,786	—	504,786
—	—	(499,750)	—	(499,750)
192,238	—	3,121,285	—	3,121,285
(247,600)	(33,692)	(2,394,771)	—	(2,394,771)
—	—	—	258,063	258,063
(248,134)	—	(2,250,914)	—	(2,250,914)
472,134	**(33,692)**	**(615,536)**	**461,456**	**(154,080)**
65,781	**235,135**	**(27,968)**	**(30,172)**	**(58,140)**
471,568	2,821,765	9,232,350	(250,453)	8,981,897
—	—	(3,961)	—	(3,961)
—	—	23,943	—	23,943
(2,168)	—	(26,111)	—	(26,111)
$ 535,181	**$ 3,056,900**	**$ 9,198,253**	**$ (280,625)**	**$ 8,917,628**

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL, SPECIAL REVENUE, DEBT SERVICE AND CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
Income Taxes	$ 7,380,600	$ 7,263,428	$ (117,172)	$ 855,882	$ 855,882	$ —
Sales Taxes	6,175,000	5,935,582	(239,418)	315,131	315,131	—
Corporate and Public Utility Taxes	1,550,000	1,578,613	28,613	106,695	106,695	—
Motor Vehicle Fuel Taxes	—	—	—	1,353,574	1,353,574	—
Other Taxes	873,343	872,717	(626)	57,509	57,509	—
Licenses, Permits and Fees	110,328	108,240	(2,088)	1,281,931	1,281,931	—
Sales, Services and Charges	40,229	41,050	821	36,432	36,432	—
Federal Government	4,671,187	4,652,844	(18,343)	6,138,490	6,138,490	—
Tobacco Settlement	—	—	—	315,812	315,812	—
Investment Income	117,946	156,297	38,351	144,101	144,101	—
Other	445,769	461,644	15,875	552,451	552,451	—
TOTAL REVENUES	**21,364,402**	**21,070,415**	**(293,987)**	**11,158,008**	**11,158,008**	**—**
BUDGETARY EXPENDITURES:						
CURRENT:						
Primary, Secondary and Other Education	5,728,200	5,675,865	52,335	1,930,165	1,502,499	427,666
Higher Education Support	2,226,362	2,219,461	6,901	14,687	7,660	7,027
Public Assistance and Medicaid	8,241,454	8,190,868	50,586	3,247,819	2,969,469	278,350
Health and Human Services	1,148,533	1,131,616	16,917	1,905,219	1,765,063	140,156
Justice and Public Protection	1,767,608	1,747,221	20,387	603,490	519,755	83,735
Environmental Protection and Natural Resources	150,109	144,932	5,177	287,470	236,894	50,576
Transportation	52,981	52,890	91	2,581,279	1,901,545	679,734
General Government	510,118	461,989	48,129	154,512	143,021	11,491
Community and Economic Development	174,833	170,003	4,830	592,099	522,575	69,524
INTERGOVERNMENTAL	1,248,634	1,185,398	63,236	2,969,494	2,433,423	536,071
CAPITAL OUTLAY	—	—	—	61,433	26,455	34,978
DEBT SERVICE	953,074	894,539	58,535	63,114	36,341	26,773
TOTAL BUDGETARY EXPENDITURES	**22,201,906**	**21,874,782**	**327,124**	**14,410,781**	**12,064,700**	**2,346,081**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(837,504)**	**(804,367)**	**33,137**	**(3,252,773)**	**(906,692)**	**2,346,081**
OTHER FINANCING SOURCES (USES):						
Bond Proceeds	—	—	—	177,399	177,399	—
Operating Transfers-in	109,685	809,095	699,410	1,652,116	1,652,116	—
Operating Transfers-out	(148,208)	(892,598)	(744,390)	(1,216,078)	(1,216,078)	—
Encumbrance Reversions	—	206,894	206,894	290,680	290,680	—
TOTAL OTHER FINANCING SOURCES (USES)	**(38,523)**	**123,391**	**161,914**	**904,117**	**904,117**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(876,027)**	**(680,976)**	**195,051**	**(2,348,656)**	**(2,575)**	**2,346,081**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	2,186,679	2,186,679	—	(933,140)	(933,140)	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ 1,310,652**	**$ 1,505,703**	**$ 195,051**	**$ (3,281,796)**	**$ (935,715)**	**$ 2,346,081**

The notes to the financial statements are an integral part of this statement.

DEBT SERVICE FUNDS			CAPITAL PROJECTS FUNDS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
29,013	29,013	—	—	—	—
—	—	—	—	—	—
15,131	15,131	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
8,110	8,110	—	25,435	25,435	—
210,700	210,700	—	5,478	5,478	—
262,954	**262,954**	**—**	**30,913**	**30,913**	**—**
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	2,262,121	781,064	1,481,057
392,000	383,263	8,737	1,070	1,070	—
392,000	**383,263**	**8,737**	**2,263,191**	**782,134**	**1,481,057**
(129,046)	**(120,309)**	**8,737**	**(2,232,278)**	**(751,221)**	**1,481,057**
7,342	7,342	—	722,701	722,701	—
111,528	111,528	—	35,537	35,537	—
—	—	—	(15,537)	(15,537)	—
—	—	—	27,639	27,639	—
118,870	**118,870**	**—**	**770,340**	**770,340**	**—**
(10,176)	**(1,439)**	**8,737**	**(1,461,938)**	**19,119**	**1,481,057**
60,103	60,103	—	(107,478)	(107,478)	—
$ 49,927	**$ 58,664**	**$ 8,737**	**$ (1,569,416)**	**$ (88,359)**	**$ 1,481,057**

STATE OF OHIO

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (memorandum only)
	ENTERPRISE	INTERNAL SERVICE	
OPERATING REVENUES:			
Charges for Sales and Services	$ 2,486,090	$ 299,141	$ 2,785,231
Premium and Assessment Income	2,021,058	—	2,021,058
Investment Income	695,189	—	695,189
Other	19,627	4,208	23,835
TOTAL OPERATING REVENUES	**5,221,964**	**303,349**	**5,525,313**
OPERATING EXPENSES:			
Costs of Sales and Services	338,763	126,188	464,951
Administration	218,653	163,575	382,228
Premium Dividend Credits and Rebates	1,624,921	—	1,624,921
Bonuses and Commissions	120,210	—	120,210
Prizes	1,112,824	—	1,112,824
Benefits and Claims	2,622,519	—	2,622,519
Depreciation	28,318	9,521	37,839
Other	380,673	8,265	388,938
TOTAL OPERATING EXPENSES	**6,446,881**	**307,549**	**6,754,430**
OPERATING INCOME (LOSS)	**(1,224,917)**	**(4,200)**	**(1,229,117)**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	173	2,656	2,829
Interest Expense	(151)	(1,720)	(1,871)
Federal Grants	—	—	—
Other	(2,665)	(1,034)	(3,699)
TOTAL NONOPERATING REVENUES (EXPENSES)	**(2,643)**	**(98)**	**(2,741)**
INCOME (LOSS) BEFORE OPERATING TRANSFERS	**(1,227,560)**	**(4,298)**	**(1,231,858)**
OPERATING TRANSFERS:			
Operating Transfers-in	36,715	39,415	76,130
Operating Transfers-out	(765,865)	(36,779)	(802,644)
TOTAL OPERATING TRANSFERS	**(729,150)**	**2,636**	**(726,514)**
NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	**(1,956,710)**	**(1,662)**	**(1,958,372)**
EXTRAORDINARY GAIN ON DEFERRED LOTTERY PRIZE PAYOUT OPTION	3,350	—	3,350
NET INCOME (LOSS)	**(1,953,360)**	**(1,662)**	**(1,955,022)**
RETAINED EARNINGS, JULY 1	6,705,073	77,336	6,782,409
RETAINED EARNINGS, JUNE 30	**$ 4,751,713**	**$ 75,674**	**$ 4,827,387**

The notes to the financial statements are an integral part of this statement.

COMPONENT UNIT	
OHIO WATER DEVELOPMENT AUTHORITY	TOTAL REPORTING ENTITY (memorandum only)
$ 111,415	$ 2,896,646
—	2,021,058
56,275	751,464
1,855	25,690
169,545	**5,694,858**
78,610	543,561
8,004	390,232
—	1,624,921
—	120,210
—	1,112,824
—	2,622,519
259	38,098
3,745	392,683
90,618	**6,845,048**
78,927	**(1,150,190)**
—	2,829
—	(1,871)
116,298	116,298
279	(3,420)
116,577	**113,836**
195,504	**(1,036,354)**
—	76,130
—	(802,644)
—	**(726,514)**
195,504	**(1,762,868)**
—	3,350
195,504	**(1,759,518)**
1,465,789	8,248,198
$ 1,661,293	**$ 6,488,680**

STATE OF OHIO

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	ENTERPRISE	INTERNAL SERVICE	TOTAL PRIMARY GOVERNMENT (memorandum only)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ 2,471,986	$ 42,667	$ 2,514,653
Cash Received from Premiums and Assessments	1,453,410	—	1,453,410
Cash Received from Quasi-External Transactions with Other Funds	9,187	261,152	270,339
Other Operating Cash Receipts	38,407	21,084	59,491
Cash Payments to Suppliers for Goods and Services	(491,492)	(205,868)	(697,360)
Cash Payments to Employees for Services	(351,887)	(69,452)	(421,339)
Cash Payments for Benefits and Claims	(1,839,866)	—	(1,839,866)
Cash Payments for Lottery Prizes	(1,301,844)	—	(1,301,844)
Cash Payments for Bonuses and Commissions	(120,268)	—	(120,268)
Cash Payments for Premium Dividend Credits and Rebates	(268,957)	—	(268,957)
Cash Payments for Quasi-External Transactions with Other Funds	(4,477)	(25,130)	(29,607)
Other Operating Cash Payments	(403)	(18,943)	(19,346)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**(406,204)**	**5,510**	**(400,694)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers-in	35,852	39,415	75,267
Operating Transfers-out	(765,865)	(36,779)	(802,644)
Interfund Loan Repayment	—	—	—
Bond Proceeds	—	—	—
Federal Grants	—	—	—
Grants to Local Subdivisions	—	—	—
Retirement of Revenue Bond Principal	—	—	—
Interest Paid	—	—	—
Return of Deposits in Excess of Bond Escrow Requirements	—	—	—
Bond and Note Issuance Costs	—	—	—
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**(730,013)**	**2,636**	**(727,377)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds and Capital Leases	(10,900)	(3,205)	(14,105)
Interest Paid	(9,060)	(1,728)	(10,788)
Principal Receipts on Capital Leases	—	3,194	3,194
Acquisition and Construction of Capital Assets	(10,439)	(4,938)	(15,377)
Proceeds from Sales of Fixed Assets	1,264	10	1,274
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(29,135)**	**(6,667)**	**(35,802)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(39,547,406)	(114,922)	(39,662,328)
Proceeds from the Sales and Maturities of Investments	39,679,095	118,150	39,797,245
Investment Income Received	1,119,095	3,367	1,122,462
Borrower Rebates and Agent Fees	(173,332)	—	(173,332)
Loan Disbursements	—	—	—
Loan Principal Repayments Received	—	—	—
Loan Interest Received	—	—	—
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	**1,077,452**	**6,595**	**1,084,047**
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	**(87,900)**	**8,074**	**(79,826)**
CASH AND CASH EQUIVALENTS, JULY 1	1,874,574	47,366	1,921,940
CASH AND CASH EQUIVALENTS, JUNE 30	**$ 1,786,674**	**$ 55,440**	**$ 1,842,114**

The notes to the financial statements are an integral part of this statement.

COMPONENT UNIT	
OHIO WATER DEVELOPMENT AUTHORITY	TOTAL REPORTING ENTITY (memorandum only)
$ 1,751	$ 2,516,404
—	1,453,410
—	270,339
—	59,491
(6,990)	(704,350)
(973)	(422,312)
—	(1,839,866)
—	(1,301,844)
—	(120,268)
—	(268,957)
—	(29,607)
(1,493)	(20,839)
(7,705)	**(408,399)**
—	75,267
—	(802,644)
(1,184)	(1,184)
86,696	86,696
116,298	116,298
(441)	(441)
(96,520)	(96,520)
(74,975)	(74,975)
279	279
(764)	(764)
29,389	**(697,988)**
—	(14,105)
—	(10,788)
—	3,194
(198)	(15,575)
—	1,274
(198)	**(36,000)**
(11,569,697)	(51,232,025)
11,551,071	51,348,316
52,640	1,175,102
—	(173,332)
(278,174)	(278,174)
128,312	128,312
104,978	104,978
(10,870)	**1,073,177**
10,616	**(69,210)**
4,111	1,926,051
$ 14,727	**$ 1,856,841**

(continued)

STATE OF OHIO

COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)

(continued)

	ENTERPRISE	INTERNAL SERVICE	TOTAL PRIMARY GOVERNMENT (memorandum only)
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	$ (1,224,917)	$ (4,200)	$ (1,229,117)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income	(695,189)	—	(695,189)
Borrower Rebates and Agent Fees	173,332	—	173,332
Depreciation	28,318	9,521	37,839
Provision for Uncollectible Accounts	65,418	—	65,418
Amortization of Premiums and Discounts	81,491	—	81,491
Amortization of Bond Issuance Costs	—	—	—
Interest on Bonds, Notes and Capital Leases	8,915	—	8,915
Interest Received on Loans	—	—	—
Operating Expense Classified as Noncapital Financing Activities (Grants to Local Governments)	—	—	—
Decrease (Increase) in Assets:			
Intergovernmental Receivable	—	406	406
Premiums and Assessments Receivable	1,408,385	—	1,408,385
Other Receivables	(62,400)	851	(61,549)
Due from Other Funds	(2)	2,971	2,969
Inventories	(1,061)	109	(952)
Other Assets	1,368	(61)	1,307
Increase (Decrease) in Liabilities:			
Accounts Payable	4,134	(2,681)	1,453
Accrued Liabilities	164	(91)	73
Intergovernmental Payable	—	—	—
Due to Other Funds	(2)	(1,180)	(1,182)
Deferred Revenue	(9,423)	(135)	(9,558)
Benefits Payable	460,032	—	460,032
Refund and Other Liabilities	(556,626)	—	(556,626)
Liabilities Payable from Restricted Assets	(88,141)	—	(88,141)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**$ (406,204)**	**$ 5,510**	**$ (400,694)**
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments	$ (467,152)	$ 46	$ (467,106)
Fixed Assets Acquired under Capital Leases	—	39	39
Extraordinary Gain on Deferred Lottery Prize Payout Option	3,350	—	3,350
Increase in Contributed Capital	—	2,212	2,212

Cash and Cash Equivalents in the Component Units Column on the Combined Balance Sheet include:

Proprietary-Ohio Water Development Authority:	
Cash Equity with Treasurer	$ 68
Cash and Cash Equivalents	14,659
Total Proprietary	**14,727**
Governmental-School Facilities Commission:	
Cash Equity with Treasurer	**723,211**
Colleges and Universities:	
Cash and Cash Equivalents	276,981
Restricted Assets-Cash and Cash Equivalents	6,193
Total Colleges and Universities	**283,174**
TOTAL COMPONENT UNITS	**$ 1,021,112**

The notes to the financial statements are an integral part of this statement.

COMPONENT UNIT	
OHIO WATER DEVELOPMENT AUTHORITY	TOTAL REPORTING ENTITY (memorandum only)
$ 78,927	$ (1,150,190)
(56,275)	(751,464)
—	173,332
259	38,098
357	65,775
203	81,694
1,187	1,187
77,220	86,135
(111,415)	(111,415)
441	441
(138)	268
—	1,408,385
(3)	(61,552)
5,664	8,633
—	(952)
—	1,307
44	1,497
—	73
1,488	1,488
(5,664)	(6,846)
—	(9,558)
—	460,032
—	(556,626)
—	(88,141)
$ (7,705)	**$ (408,399)**
$ 1,450	$ (465,656)
—	39
—	3,350
—	2,212

STATE OF OHIO

STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	STATE HIGHWAY PATROL RETIREMENT SYSTEM (for the year ended December 31, 2000)		
	PENSION	POST-EMPLOYMENT	TOTAL
ADDITIONS:			
Contributions:			
Employer	$ 13,210	$ 3,347	$ 16,557
Employees	6,954	—	6,954
Other Contributions	944	4	948
Total Contributions	21,108	3,351	24,459
Investment Income:			
Net Depreciation in Fair Value of Investments	(23,713)	(4,782)	(28,495)
Interest	7,897	1,372	9,269
Dividends	2,502	435	2,937
Other Investment Income	401	70	471
	(12,913)	(2,905)	(15,818)
Less: Investment Expense	1,207	210	1,417
Net Investment Income	(14,120)	(3,115)	(17,235)
TOTAL ADDITIONS	**6,988**	**236**	**7,224**
DEDUCTIONS:			
Benefits and Claims	27,043	4,720	31,763
Refunds of Employee Contributions	363	—	363
Administrative Expenses	549	96	645
Transfers to Other Retirement Systems	905	—	905
TOTAL DEDUCTIONS	**28,860**	**4,816**	**33,676**
NET INCREASE (DECREASE)	**(21,872)**	**(4,580)**	**(26,452)**
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION AND POSTEMPLOYMENT HEALTHCARE BENEFITS			
JANUARY 1	540,800	93,970	634,770
DECEMBER 31	**$ 518,928**	**$ 89,390**	**$ 608,318**

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO

STATEMENT OF CHANGES IN NET ASSETS
INVESTMENT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	STAROHIO
OPERATIONS:	
Investment Income	*$ 375,766*
Expenses:	
Administration Fees	*1,358*
Custodian and Transfer Agent Fees and Related Expenses	*1,192*
Security Lending Fees	*571*
Management Fees	*453*
Other	*272*
Total Expenses	*3,846*
Net Investment Income	*371,920*
Dividends to Shareholders from Net Investment Income	*(371,920)*
INCREASE (DECREASE) FROM OPERATIONS	*—*
CAPITAL SHARE TRANSACTIONS	
(dollar amounts and number of shares are the same):	
Shares Sold	*22,982,889*
Shares Issued on Reinvestment of Distributions	*371,920*
Less: Shares Redeemed	*20,207,835*
INCREASE (DECREASE) FROM CAPITAL SHARE TRANSACTIONS	***3,146,974***
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS	
JULY 1	*5,250,689*
JUNE 30	***$ 8,397,663***

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO

STATEMENT OF CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	COMPONENT UNITS
REVENUES AND OTHER ADDITIONS:	
Unrestricted Current Fund Revenues	$ 3,465,065
Local Appropriations-Restricted	17,912
Federal Grants and Contracts-Restricted	582,031
State Grants and Contracts-Restricted	132,552
Local Grants and Contracts-Restricted	9,483
Private Gifts, Grants and Contracts-Restricted	570,905
Endowment Income-Restricted	53,114
Investment Income-Restricted	(294,282)
Interest on Loans Receivable	5,343
Investment in Plant-Additions	772,834
Other	140,151
TOTAL REVENUES AND OTHER ADDITIONS	**5,455,108**
EXPENDITURES AND OTHER DEDUCTIONS:	
Educational and General Expenditures	4,537,956
Auxiliary Enterprises Expenditures	631,251
Hospital Expenditures	786,294
Indirect Costs Recovered	99,094
Grant Refunds and Adjustments	817
Loan Cancellations and Write-offs	2,192
Administrative and Collection Costs	2,129
Expended for Plant Facilities	539,111
Retirement of Indebtedness	101,181
Interest on Indebtedness	70,101
Investment in Plant-Deductions	213,163
Other	43,882
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	**7,027,171**
TRANSFERS:	
Operating Transfers from Primary Government	1,992,851
NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	**420,788**
Cumulative Effect of Change in Accounting Principle	(45,770)
NET INCREASE (DECREASE) FOR THE YEAR	**375,018**
FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated)	12,249,402
FUND BALANCE AND OTHER CREDITS, JUNE 30	**$ 12,624,420**

The notes to the financial statements are an integral part of this statement.

STATE OF OHIO

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	COMPONENT UNITS
REVENUES:	
Tuition, Fees and Other Student Charges	$ 1,647,773
Local Appropriations	14,670
Federal Grants and Contracts	574,342
State Grants and Contracts	134,695
Local Grants and Contracts	9,834
Private Gifts, Grants and Contracts	371,832
Endowment Income	65,612
Sales and Services	1,465,456
Investment Income	93,333
Other Sources	122,136
TOTAL REVENUES	***4,499,683***
EXPENDITURES AND MANDATORY TRANSFERS:	
EDUCATIONAL AND GENERAL:	
Instruction and Departmental Research	1,837,458
Separately Budgeted Research	485,705
Public Service	256,600
Academic Support	446,912
Student Services	266,061
Institutional Support	479,108
Operation and Maintenance of Plant	321,750
Scholarships and Fellowships	449,978
TOTAL EDUCATIONAL AND GENERAL	4,543,572
AUXILIARY ENTERPRISES	632,168
HOSPITALS	786,294
TOTAL EXPENDITURES	***5,962,034***
MANDATORY TRANSFERS, NET:	
Principal and Interest	116,198
Renewals and Replacements	2,821
Other	850
TOTAL MANDATORY TRANSFERS, NET	***119,869***
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	***6,081,903***
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):	
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	1,725,879
NONMANDATORY TRANSFERS, NET:	
Capital Improvements	(88,292)
Other	24,677
ADDITIONS/(DEDUCTIONS):	
Excess of Restricted Receipts over Transfers to Revenue	183,763
Indirect Costs Recovered	(93,479)
Other	(3,581)
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	***1,748,967***
NET INCREASE (DECREASE) IN FUND BALANCES	***$ 166,747***

The notes to the financial statements are an integral part of this statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the State of Ohio present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary funds. The financial statements, as of June 30, 2001, and for the year then ended, conform with generally accepted accounting principles (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. The GASB's *Codification of Governmental Accounting and Financial Reporting Standards* documents these principles. The State's significant accounting policies are as follows.

A. Financial Reporting Entity

The State of Ohio's primary government includes all funds, account groups, elected officials, departments and agencies, bureaus, boards, commissions, and authorities that make up the State's legal entity. Component units, legally separate organizations for which the State's elected officials are financially accountable, also comprise, in part, the State's reporting entity. Additionally, other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete should be included in a government's financial reporting entity.

GASB Statement No. 14, *The Financial Reporting Entity*, defines financial accountability. The criteria for determining financial accountability include the following circumstances:

- appointment of a voting majority of an organization's governing authority and the ability of the primary government to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or
- an organization is fiscally dependent on the primary government.

Information for obtaining complete financial statements for the State's component units, which are discussed below, is available from the Ohio Office of Budget and Management.

1. Blended Component Units

The Ohio Building Authority and the State Highway Patrol Retirement System are legally separate organizations that provide services entirely, or almost entirely, to the State or otherwise exclusively, or almost exclusively, benefit the State. Therefore, the State reports these organizations' balances and transactions as though they were part of the primary government using the blending method.

2. Discretely Presented Component Units

The component units' columns in the combined financial statements include the financial data of the following organizations. The separate discrete column labeled, "Component Units," emphasizes these organizations' separateness from the State's primary government.

Officials of the primary government appoint a voting majority of each organization's governing board.

The primary government has the ability to impose its will on the following organization by modifying or approving its budget.

Governmental
School Facilities Commission

The following organizations impose or potentially impose financial burdens on the primary government.

Proprietary
Ohio Water Development Authority

Colleges and Universities
State Universities*:*
Bowling Green State University
Central State University
Cleveland State University
Kent State University
Miami University
Ohio State University
Ohio University
Shawnee State University
University of Akron
University of Cincinnati
University of Toledo
Wright State University
Youngstown State University

State Community Colleges
Cincinnati State Community College
Clark State Community College
Columbus State Community College
Edison State Community College
Northwest State Community College
Owens State Community College
Southern State Community College
Terra State Community College
Washington State Community College

Medical College
Medical College of Ohio at Toledo

3. Joint Ventures and Related Organizations

As discussed in more detail in NOTE 21, the State participates in several joint ventures and has related

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

organizations. The State does not include the financial activities of these organizations in its financial statements, in conformity with GASB 14.

B. Basis of Presentation — Fund Accounting
The State uses funds and account groups to report its financial position and results of operations. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and aids management in demonstrating compliance with finance-related legal and contractual provisions. An account group is an accounting device that accounts for certain assets and liabilities of the governmental funds not recorded directly in those funds.

Primary government and component unit funds fall into four categories: governmental, proprietary, fiduciary, and college and university.

1. Primary Government
In the primary government's financial statements, each fund category is divided into separate "fund types," which are described along with the two account groups, as follows.

a. Governmental Fund Types
General — The General Fund, the State's primary operating fund, accounts for resources traditionally associated with government, which are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue — The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes.

Debt Service — The debt service funds account for the accumulation of resources for the payment of general long-term debt principal and interest.

Capital Projects — The capital projects funds account for the acquisition of fixed assets and construction of major capital facilities and for major repairs and replacements other than those financed by proprietary or trust funds.

b. Proprietary Fund Types
Enterprise — The enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises — where the State's intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability and other purposes.

Internal Service — The internal service funds account for the financing of goods or services that a state department or agency provides to other state departments and agencies or to other government units on a cost-reimbursement basis.

c. Fiduciary Fund Types
Trust funds account for assets that the State holds in a trustee capacity. The State's general-purpose financial statements present expendable, pension, and investment trust funds. The Pension Trust Fund reports the State Highway Patrol Retirement System for its fiscal year ended December 31, 2000.

Agency funds account for assets the State holds as an agent for individuals, private organizations, other governments, or other funds. The Agency Fund includes the assets of the Public Employees Retirement System and the Police and Fire Pension Fund, for their fiscal years ended December 31, 2000.

d. Account Groups
General Fixed Assets — The General Fixed Assets Account Group accounts for fixed assets acquired or constructed for the State's general governmental purposes. This group accounts for fixed assets not accounted for in the proprietary and trust funds.

General Long-Term Obligations — The General Long-Term Obligations Account Group accounts for the State's unmatured general obligation bonds and other long-term obligations not required to be accounted for in the proprietary and trust funds.

2. Component Units
The School Facilities Commission Fund is a discretely presented governmental component unit that uses special revenue fund reporting. The financial presentation of the underlying fund types of the other individual component units reported in the discrete column is available from each respective component unit's separately issued financial statements. The component unit funds include the Ohio Water Development Authority for its fiscal year ended December 31, 2000.

The State presents a Statement of Current Funds Revenues, Expenditures and Other Changes in the General-Purpose Financial Statements, in accordance with Section 2600.111 of the GASB's *Codification of Governmental Accounting and Financial Reporting*. The Current Funds, a college and university fund type, accounts for economic resources that are expendable for any purpose in performing the primary objectives of the higher education institutions.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting
A fund's measurement focus determines the accounting and financial reporting treatment applied to the fund. Governmental and expendable trust funds are accounted for using a flow of current financial resources measurement focus. Under this measurement focus, operating statements present increases (i.e., revenue and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets, and unreserved fund balance is a measure of available expendable resources.

Proprietary, pension trust, and investment trust funds are accounted for using a flow of economic resources measurement focus, which emphasizes the determination of net income. Under this measurement focus, operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net assets. Fund equity (i.e., net assets) is segregated on the balance sheet into two components, contributed capital and retained earnings/fund balance.

Agency funds are custodial in nature, and therefore, do not present results of operations or have a measurement focus.

All governmental, expendable trust, and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, the State recognizes revenues when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction is determinable, and "available" means the amount is collectible within the current period or soon enough thereafter to pay liabilities of the current period. The State considers revenues as available when collected within 60 days after year-end.

Under the modified accrual basis, the State records expenditures when it incurs related fund liabilities, except for principal and interest on general long-term debt, which the State recognizes as expenditures when due. For government-mandated and voluntary nonexchanges, the State recognizes liabilities and expenditures when recipients have met applicable eligibility requirements, including timing requirements.

Significant revenue sources susceptible to accrual under the modified accrual basis of accounting include:

- Personal income taxes
- Sales and use taxes
- Motor vehicle fuel taxes
- Unemployment taxes
- Charges for goods and services
- Federal government grants
- Investment income

The State recognizes assets from derived tax revenues (e.g., personal income, sales, motor vehicle fuel taxes) in the fiscal year when the exchange transaction on which the tax is imposed occurs or when the resources are received, whichever occurs first. The State recognizes derived tax revenues, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred revenue until the period of the exchange.

The State recognizes federal government revenue in the period when all applicable eligibility requirements have been met and resources are available. Resources transmitted in advance of the State meeting eligibility requirements are reported as deferred revenue. Also, the State defers revenue recognition for reimbursement-type grant programs if the reimbursement is not received during the availability period (within 60-days of year-end).

For revenue arising from exchange transactions (i.e., charges for goods and services), the State defers revenue recognition when resources are received in advance of the exchange.

Investment income includes the net increase (decrease) in the fair value of investments.

Licenses, permits, fees, and certain other miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. The "Other" revenue account is comprised of refunds, reimbursements, recoveries, and other miscellaneous income.

The proprietary, pension trust, and investment trust funds use the accrual basis of accounting. Under this method, the State records revenues when earned and expenses when incurred.

As permitted by GAAP, the State's proprietary funds have elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989.

College and university funds apply the principles of accounting and reporting set forth in the American Institute of Certified Public Accountants College Guide model. The college and university funds use the accrual basis of accounting, with the following exceptions: 1) depreciation expense is not calculated or reported, and 2) revenues and expenditures

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

of an academic term encompassing more than one fiscal year are recognized in the period when the program is predominantly conducted.

D. Budgetary Process

As the Ohio Revised Code requires, the Governor submits biennial operating and capital budgets to the General Assembly. All proposed expenditures for the State and estimated revenues and borrowings for a biennium comprise the budget, which includes those funds of the State subject to appropriation pursuant to state law.

The General Assembly enacts the budget through passage of specific departmental line-item appropriations, the legal level of budgetary control. Line-item appropriations are established within funds by program or major object of expenditure. The Governor may veto any item in an appropriation bill. Such vetoes are subject to legislative override.

Biennially, the General Assembly approves operating and capital appropriations. The legislature specifies operating appropriations in annual amounts and capital appropriations in two-year amounts.

The State's Controlling Board, comprised of six members of the General Assembly and the director of the Office of Budget and Management (OBM) or an employee of OBM designated by the director, can transfer or increase a line-item appropriation within the limitations set under Sections 127.14 and 131.35, Ohio Revised Code. As provided by Section 127.14, Ohio Revised Code, the Board has delegated to the director of OBM authority to approve transfers within a state agency among items of appropriations for the same fiscal year not to exceed a cumulative fiscal year transfer of $50,000 (or $75,000 for certain institutional departments) from each item of appropriation. The OBM director cannot make transfers for the purpose of effecting new or changed levels of program service not authorized by the General Assembly.

All governmental funds are budgeted except the following activities within the fund types:

Special Revenue Fund

Certain activities within the Community and Economic Development Special Revenue Fund, as discussed in NOTE 3

Debt Service Fund

Economic Development Revenue Bonds
Transportation Certificates of Participation
Vietnam Conflict Compensation
General Obligations
Higher Education Facilities Special Obligations
Mental Health Facilities Special Obligations
Parks and Recreation Facilities Special Obligations
School Building Program Special Obligations
Infrastructure Bank Revenue Bonds
Ohio Building Authority Special Obligations
Enterprise Revenue Bonds

Capital Projects Fund

Ohio Building Authority

For budgeted funds, the State's Central Accounting System controls expenditures by appropriation line-item, so at no time can expenditures exceed appropriations and financial-related legal compliance is assured. The State uses the modified cash basis of accounting for budgetary purposes.

As an extension of formal budgetary integration in the accounting system, the State employs encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded as a reserve of the applicable appropriations. At fiscal year end, the State reports outstanding encumbrances in the General, special revenue, and capital projects funds as reservations of fund balance for expenditure in subsequent years. Operating encumbrances are generally canceled five months after the fiscal year-end while capital encumbrances are generally canceled two years after the biennial period for which they were appropriated. Unencumbered appropriations lapse at the end of the biennium budget period.

The *Detailed Appropriation Summary by Fund Report*, which is available for public inspection at the Ohio Office of Budget and Management, provides a more comprehensive accounting of activity on the budgetary basis at the legal level of budgetary control.

In the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis), budgeted revenues for the General Fund represent periodically updated revenue budgets.

For other budgeted funds, the original budgeted revenues, as submitted by the Governor, do not represent actual forecasts of revenues and are not amended to coincide with any legislative changes to the original expenditure budget. Accordingly, for budgeted funds other than the General Fund, the State reports budgeted revenues and other financing sources and uses at actual amounts, since the State does not have updated, budgeted revenue and other

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

financing sources and uses amounts for use in the accompanying budgetary basis financial statements.

Additionally, on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis), "actual" budgetary expenditures include cash disbursements against the current fiscal year's appropriations and outstanding encumbrances, as of June 30, 2001, that were committed during the current fiscal year. Encumbrance reversions represent lapses of prior years' appropriations. For certain activities in the General and Special Revenue funds and for the Capital Projects Fund, amounts reported under the "Budget" column include total unexpended appropriations for both the first and second years of the current 2001-2002 biennial budget.

The Unemployment Compensation and Variable College Savings Plan expendable trust funds, State Highway Patrol Retirement System Pension Trust Fund, and the STAROhio Investment Trust Fund are not legally required to adopt budgets. For budgeted proprietary and trust funds, the State is not legally required to report budgetary data and comparisons for these funds. Additionally, the State does not present budgetary data for its discretely presented component units.

Because the State budgets on a modified cash basis of accounting, which differs from GAAP, NOTE 3 presents a reconciliation of the differences between the GAAP basis and non-GAAP budgetary basis of reporting.

E. Cash Equity with Treasurer and Cash and Cash Equivalents

Cash equity with Treasurer consists of pooled demand deposits and investments carried at fair value. The State's cash pool under the Treasurer of State's administration has the general characteristics of a demand deposit account whereby additional cash can be deposited at any time and can also be effectively withdrawn at any time, within certain budgetary limitations, without prior notice or penalty.

Cash and cash equivalents include amounts on deposit with financial institutions and cash on hand. The cash and cash equivalents account also includes investments with original maturities of three months or less from the date of acquisition for the Bureau of Workers' Compensation and Ohio Lottery Commission enterprise funds and the University of Cincinnati component unit fund.

Cash equity with Treasurer and cash and cash equivalents, including the portions reported under "Restricted Assets," are considered to be cash equivalents, as defined in GASB Statement No. 9, for purposes of the Statement of Cash Flows.

F. Investments

Investments include long-term investments that may be restricted by law or other legal instruments. With the exception of certain money market investments, which have remaining maturities at the time of purchase of one year or less and are carried at amortized cost, and holdings in the State Treasury Asset Reserve of Ohio (STAROhio) investment pool, the State reports investments at fair value based on quoted market prices. STAROhio operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940; investments in the 2a7-like pool are reported at amortized cost (which approximates fair value). The colleges and universities report investments received as gifts at their fair value on the donation date.

The primary government does not manage or provide investment services for investments reported in the Agency Fund that are owned by other, legally separate entities that are not part of the State of Ohio's reporting entity.

G. Intergovernmental Receivables

Intergovernmental receivables are primarily comprised of amounts due from the federal government for reimbursement-type grant programs. Advances of resources to recipient local governments before eligibility requirements have been met under government-mandated and voluntary nonexchange programs and amounts due for exchanges of State goods and services with other governments are also reported as intergovernmental receivables.

H. Inventories

For governmental funds, the State recognizes the costs of material inventories as expenditures when purchased. At year-end, physical counts are taken of significant inventories for the governmental fund types and are generally reported on the balance sheet at moving-average cost. Inventories reported in the governmental funds do not reflect current appropriable resources, and therefore, the State reserves an equivalent portion of fund balance.

Proprietary and college and university funds value inventories at cost, which approximates market; principal inventory cost methods applied include first-in, first-out, average cost, moving-average, and retail.

I. Restricted Assets

The primary government reports assets restricted for payment of deferred prize awards (Ohio Lotto) and

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

tuition benefits in the enterprise funds for the Ohio Lottery Commission and the Ohio Tuition Trust Authority, respectively.

Covenants for the Ohio Building Authority's bonds require pledged receipts be held and invested in a reserve account placed with a trustee financial institution. The State reports these restricted assets in the internal service funds.

Generally, the colleges and universities hold assets in trust. Bond covenants or other financing arrangements legally restrict the use of these assets.

J. Fixed Assets

General Fixed Assets — The State reports fixed assets purchased with governmental fund resources in the General Fixed Assets Account Group at historical cost, or at estimated historical cost when no historical records exist. Donated fixed assets are valued at their estimated fair value on the donation date.

The State does not capitalize the costs of normal maintenance and repairs that do not add to the asset's value or materially extend an asset's useful life. Costs of major improvements are capitalized, while interest costs associated with the acquisition of general fixed assets are not capitalized.

The State does not capitalize public domain (infrastructure) general fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, historical monuments, drainage systems, and lighting systems, since these assets are immovable and of value only to the government.

The State does not depreciate assets reported in the General Fixed Assets Account Group.

Proprietary and Fiduciary Fund Fixed Assets — Fixed assets are stated at cost or, for donated assets, at estimated fair value at the donation date. The State depreciates proprietary and fiduciary fund fixed assets, excluding land, using the straight-line method over the following estimated useful lives:

Buildings	5-40 years
Land Improvements	5-25 years
Machinery and Equipment	2-20 years
State Vehicles	3-6 years

The State capitalizes material interest on proprietary fund fixed assets acquired through debt issuance.

College and University Fund Fixed Assets — The colleges and universities value all purchased fixed assets at cost and donated fixed assets at estimated fair value on the donation date. The colleges and universities do not capitalize public domain (infrastructure) assets or depreciate their fixed assets.

K. Long-Term Obligations

Governmental funds recognize long-term obligations as liabilities when due. The State reports only the portion expected to be financed from expendable available financial resources as a liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Obligations Account Group. Included among these liabilities are the noncurrent portions of liabilities resulting from debt issuances, certificate of participation financing arrangements, compensated absences, judgments, settlements, claims, litigation, contingencies, leases, and workers' compensation benefits. The proprietary funds and college and university funds account for long-term liabilities expected to be financed from operations.

As discussed in NOTES 11 and 12, bonds that the Ohio Building Authority (OBA) issues to finance the construction of facilities leased to local governments are reported as revenue bonds in the internal service funds, while OBA bonds issued to finance the construction of state-related projects are reported as special obligation bonds in the General Long-Term Obligations Account Group.

L. Compensated Absences

Employees of the State's primary government earn vacation leave, sick leave, and personal leave at various rates within limits specified under collective bargaining agreements or under law. Generally, employees accrue vacation leave at a rate of 3.1 hours every two weeks for the first five years of employment, up to a maximum rate of 9.2 hours every two weeks after 25 years of employment. Employees may accrue a maximum of three years vacation leave credit. At termination or retirement, the State pays employees, at their full rate, 100 percent of unused vacation leave, personal leave, and, in certain cases, compensatory time and 50 percent of unused sick leave.

Such leave is liquidated in cash, under certain restrictions, either annually in December, or at the time of termination from employment.

For the governmental funds, the State reports the current portion of the compensated absences liability as a fund liability that is included under the "Accrued Liabilities" account while the noncurrent portion is reported in the General Long-Term Obligations Account Group. For the primary government's proprietary funds and its discretely presented component unit funds, the State reports the compensated absences liability as a fund liability under the "Accrued Liabilities" account.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The State's primary government accrues vacation, compensatory time, and personal leaves as liabilities when an employee's right to receive compensation is attributable to services already rendered and it is probable that the employee will be compensated through paid time off or some other means, such as at termination or retirement. Leave time that has been earned, but is unavailable for use as paid time off or as some other form of compensation because an employee has not met a minimum service time requirement, is accrued to the extent that it is considered to be probable that the conditions for compensation will be met in the future.

The State's primary government accrues sick leave using the vesting method. Under this method, the liability is recorded on the basis of leave accumulated by employees who are eligible to receive termination payments, as of the balance sheet date, and on leave balances accumulated by other employees who are expected to become eligible in the future to receive such payments.

Included in the compensated absences liability is an amount accrued for salary-related payments directly and incrementally associated with the payment of compensated absences upon termination. Such payments include the primary government's share of Medicare taxes.

For the colleges and universities, vacation and sick leave policies vary by institution.

M. Fund Equity

Reservations
Reservations of equity represent amounts that are not appropriable or are legally restricted for a specific purpose.

Designations
Designations of equity represent tentative management plans that are subject to change.

Contributed Capital
Contributed capital represents equity acquired through capital contributions from other funds.

N. Risk Management
The State's primary government is self-insured for claims under its traditional healthcare plan and for vehicle liability while it has placed public official fidelity bonding with a private insurer. The State self-funds tort liability and most property losses on a pay-as-you-go basis; however, selected state agencies have acquired private insurance for their property losses. While not the predominant participant, the State's primary government participates in a public entity risk pool, which is accounted for in the Bureau of Workers' Compensation Enterprise Fund, for the financing of its workers' compensation liability (See NOTE 23A).

Estimates for significant incurred but not reported claims or contingent liabilities are included in accrued liabilities and in the General Long-Term Obligations Account Group.

O. Interfund/Intra-Entity Transactions
The State of Ohio records the following types of interfund/intra-entity transactions within its reporting entity:

Operating Transfers — Legally required transfers are reported when incurred as "Operating Transfers-in" by the receiving fund and as "Operating Transfers-out" by the disbursing fund. Legally required transfers between the primary government and its component units are reported as "Operating Transfers from/to Primary Government" and "Operating Transfers from/to Component Units."

Transfers of Expenditures/Expenses (Reimbursement) — The State reports reimbursements made by one fund for another as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund.

Residual Equity Transfers — The State reports nonroutine or nonrecurring transfers between funds as additions to or deductions from fund equity.

Quasi-external Transactions — The State reports charges or collections for services rendered by one fund to another as revenues of the receiving fund and expenditures/expenses of the disbursing fund.

Transactions between funds that represent noncurrent lending or borrowing arrangements outstanding, as of the end of the fiscal year, are reported as advances to/from other funds. The State reports all other outstanding balances between funds as due to/from other funds. NOTE 7 presents a summary of interfund balances and interfund and intra-entity transfers.

P. Memorandum Only — Total Columns
Total columns on the general-purpose financial statements are captioned "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 RESTATEMENTS AND CHANGES IN ACCOUNTING PRINCIPLES AND STANDARDS

A. Restatements — Primary Government's Funds

Restatements of fund balances, as of June 30, 2000, are summarized for the primary government below.

		Special Revenue Fund				
	General Fund	Community & Economic Develop-ment	Job, Family & Other Human Services	Health	Mental Health and Retardation	Education
Fund Balance, as previously reported, June 30, 2000	$2,722,285	$697,394	$264,992	$32,496	$73,549	$955,902
GASB 33 Implementation:						
Increase/(Decrease) to Assets:						
Intergovernmental Receivables	—	—	16,299	—	—	—
Other Receivables	3,293	—	—	—	—	(607)
(Increase)/Decrease to Liabilities:						
Intergovernmental Payable	(119,674)	—	(16,817)	—	—	—
Deferred Revenue	(132,733)	(3,394)	(63,747)	(380)	(21,124)	(26,022)
	(249,114)	(3,394)	(64,265)	(380)	(21,124)	(26,629)
Corrections:						
Increase/(Decrease) to Assets:						
Cash and Cash Equivalents	—	(59)	—	—	—	—
Intergovernmental Receivable	—	—	—	—	1,157	—
Taxes Receivable (Sales Taxes)	48,526	—	—	—	—	—
Loans Receivable	—	2,532	—	—	—	—
(Increase)/Decrease to Liabilities:						
Accounts Payable	—	—	—	—	—	—
Deferred Revenue	—	(6,987)	—	—	—	—
	48,526	(4,514)	—	—	1,157	—
Fund Reclassification of Net Assets	(646)	—	—	—	—	(818,021)
Increase/(Decrease) for Restatement	(201,234)	(7,908)	(64,265)	(380)	(19,967)	(844,650)
Fund Balance, as restated, July 1, 2000	$2,521,051	$689,486	$200,727	$32,116	$53,582	$111,252

	Special Revenue Fund (Continued)					
	Highway Operating	Wildlife and Waterways Safety	Local Infra-structure & Transportation Improvements	Arts Facilities Improve-ments	Sports Facilities Improve-ments	All Other Special Revenue Funds
Fund Balance, as previously reported, June 30, 2000	$ 954,138	$ 51,922	$ 82,931	$ —	$ —	$789,059
GASB 33 Implementation:						
Increase/(Decrease) to Assets:						
Intergovernmental Receivables	—	(1,200)	—	—	—	—
Other Receivables	—	—	—	—	—	—
(Increase)/Decrease to Liabilities:						—
Intergovernmental Payable	—	—	—	—	—	—
Deferred Revenue	—	(1,983)	—	—	—	—
	—	(3,183)	—	—	—	—
Corrections:						
Increase/(Decrease) to Assets:						
Cash and Cash Equivalents	—	—	—	—	—	—
Intergovernmental Receivable	—	—	—	—	—	—
Taxes Receivable (Sales Taxes)	—	—	—	—	—	—
Loans Receivable	908	—	—	—	—	—
(Increase)/Decrease to Liabilities:				—	—	—
Accounts Payable	—	—	—	—	—	—
Deferred Revenue	—	—	—	—	—	—
	908	—	—	—	—	—
Fund Reclassification of Net Assets	—	—	274,991	21,163	4,912	—
Increase/(Decrease) for Restatement	908	(3,183)	274,991	21,163	4,912	—
Fund Balance, as restated, July 1, 2000	$ 955,046	$ 48,739	$357,922	$21,163	$4,912	$789,059

(Continued)

NOTE 2 RESTATEMENTS AND CHANGES IN ACCOUNTING PRINCIPLES AND STANDARDS (Continued)

		Capital Projects Fund				
Primary Government (Cont'd)	Total Special Revenue Funds	Local Infrastructure Improve-ments	Arts Facilities Improve-ments	Sports Facilities Improve-ments	All Other Capital Projects Funds	Total Capital Projects Funds
Fund Balance, as previously reported, June 30, 2000	$3,902,383	$274,991	$21,163	$4,912	$471,568	$772,634
GASB 33 Implementation:						
Increase/(Decrease) to Assets:						
Intergovernmental Receivables	15,099	—	—	—	—	—
Other Receivables	(607)	—	—	—	—	—
(Increase)/Decrease to Liabilities:						
Intergovernmental Payable	(16,817)	—	—	—	—	—
Deferred Revenue	(116,650)	—	—	—	—	—
	(118,975)	—	—	—	—	—
Corrections:						
Increase/(Decrease) to Assets:						
Cash and Cash Equivalents	(59)	—	—	—	—	—
Intergovernmental Receivable	1,157	—	—	—		
Taxes Receivable (Sales Taxes)	—	—	—	—	—	—
Loans Receivable	3,440	—	—	—	—	—
(Increase)/Decrease to Liabilities:				—	—	—
Accounts Payable		—	—			
Deferred Revenue	(6,987)	—	—	—	—	—
	(2,449)	—	—	—	—	—
Fund Reclassification of Net Assets	(516,955)	(274,991)	(21,163)	(4,912)	—	(301,066)
Increase/(Decrease) for Restatement	(638,379)	(274,991)	(21,163)	(4,912)	—	(301,066)
Fund Balance, as restated, July 1, 2000	$3,264,004	$ —	$ —	$ —	$471,568	$471,568

For the year ended June 30, 2001, the State implemented the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. GASB 33 principally addresses the timing of recognition of nonexchange transactions involving financial or capital resources (e.g., most taxes, grants, fines and penalties, and private donations) in a government's financial statements. Restatements for the primary government resulting from the implementation of the new standard are detailed in the foregoing table under the "GASB 33 Implementation" caption. GASB 33 restatements for the college and university component unit funds are detailed in the table on the following page.

For the General Fund, the sales taxes receivable balance reported, as of June 30, 2000, was increased by $48.5 million to properly reflect earned sales tax revenue collected in August 2000.

Beginning balance adjustments have been included to correct the following balances reported in the Special Revenue Fund, as of June 30, 2000.

- The cash and cash equivalents balance reported by the Department of Development's Office of Business Development was corrected for a $59 thousand overstatement.
- The intergovernmental receivable balance was increased by $1.2 million because state-earned cash had mistakenly been included in the year-end calculation of the federal receivable balance for the Medicaid Program at the Department of Mental Health; thereby, causing an offset that resulted in an understatement of the balance owed by the federal government to the State.
- The increase in the loans receivable balance in the amount of $3.4 million represents corrections for loan programs at the Department of Development ($2.5 million) and the Department of Transportation ($908 thousand).
- The deferred revenue balance was understated by $7 million because unearned federal revenue on deposit at the Office of Criminal Justice Services had not been recognized.

Net assets reported for the Local Infrastructure, Arts Facilities Improvements, and Sports Facilities Improvements capital projects funds, as of June 30, 2000, have been reclassified to the Special Revenue Fund because a significant amount of expenditures reported in these funds are comprised of capital grants to local governments, which do not qualify as capital outlay expenditures for the primary government.

NOTE 2 RESTATEMENTS AND CHANGES IN ACCOUNTING PRINCIPLES AND STANDARDS (Continued)

Net assets in the amount of $646 thousand and $818 million reported for the General and Education Special Revenue funds, respectively, as of June 30, 2000, have been reclassified and presented under the School Facilities Commission discretely presented component unit column. Net assets reclassified for this discretely presented component unit in NOTE 2B in the amount of $(250.5) million has been restated for a $1.07 billion increase in intergovernmental payables, as required for the implementation of GASB 33, and a $1.2 million increase in the loans receivable balance for loans not reported, as of June 30, 2000.

Additionally, the July 1, 2000 beginning balance of general fixed assets reported in the General Fixed Assets Account Group was decreased by approximately $13.1 million (See NOTE 8). The net decrease resulted from fixed asset additions and deletions not reported in prior years.

B. Restatements — Component Unit Funds

Restatements of fund balances, as of June 30, 2000, are summarized for the component unit funds below.

		Colleges and Universities				
	School Facilities Commission	Ohio State University	Ohio University	Miami University	University of Akron	Bowling Green State University
Fund Balance, as previously reported, June 30, 2000	$ —	$4,267,033	$648,365	$741,077	$571,092	$434,526
GASB 33 Implementation:						
Increase/(Decrease) to Assets:						
Intergovernmental Receivables	—	15,398	—	—	—	—
Other Receivables	—	—	—	1,377	613	—
Fixed Assets	—	—	2,073	—	580	589
(Increase)/Decrease to Liabilities:						
Deferred Revenue	—	—	—	—	—	(10,234)
	—	15,398	2,073	1,377	1,193	(9,645)
Corrections:						
Increase/(Decrease) to Assets:						
Investments	—	—	—	—	—	—
Other Receivables	—	—	—	—	—	—
Fixed Assets	—	—	—	—	—	—
	—	—	—	—	—	—
Fund Reclassification of Net Assets	(250,453)	—	—	—	—	—
Change in Reporting Entity	—	—	845	—	—	—
Increase/(Decrease) for Restatement	(250,453)	15,398	2,918	1,377	1,193	(9,645)
Fund Balance, as restated, July 1, 2000	$(250,453)	$4,282,431	$651,283	$742,454	$572,285	$424,881

	Colleges and Universities (Continued)					
	University of Toledo	Clark State Community College	Washington State Community College	Northwest State Community College	All Other Colleges and Universities	Total Colleges and Universities
Fund Balance, as previously reported, June 30, 2000	$428,956	$47,396	$25,681	$25,977	$5,048,832	$12,238,935
GASB 33 Implementation:						
Increase/(Decrease) to Assets:						
Intergovernmental Receivables	1,370	—	—	—	—	16,768
Other Receivables	—	—	—	—	—	1,990
Fixed Assets	—	—	—	—	—	3,242
(Increase)/Decrease to Liabilities:						
Deferred Revenue	(2,805)	—	—	—	—	(13,039)
	(1,435)	—	—	—	—	8,961
Corrections:						
Increase/(Decrease) to Assets:						
Investments	—	—	114	—	—	114
Other Receivables	—	(12)	—	—	—	(12)
Fixed Assets	—	353	—	206	—	559
	—	341	114	206	—	661
Fund Reclassification of Net Assets	—	—	—	—	—	—
Change in Reporting Entity	—	—	—	—	—	845
Increase/(Decrease) for Restatement	(1,435)	341	114	206	—	10,467
Fund Balance, as restated, July 1, 2000	$427,521	$47,737	$25,795	$26,183	$5,048,832	$12,249,402

NOTE 2 RESTATEMENTS AND CHANGES IN ACCOUNTING PRINCIPLES AND STANDARDS (Continued)

For the discretely presented College and University Funds, the prior year's fund balance has been increased approximately:

- $9 million as the result of the implementation of GASB 33,
- $661 thousand for the correction of errors in previously reported investments, other receivables, and fixed assets balances, and
- $845 thousand for a change in reporting entity at Ohio University when it included the Ohio University Osteopathic Medical Center for the first time in its fiscal year 2001 financial statements.

C. Changes in Accounting Principle
For fiscal year 2001, Youngstown State University, a component unit fund, changed its capitalization policy for fixed assets. The university increased its thresholds for capitalizing equipment and building and other improvements. The cumulative effect of the change is recognized as a $45.8 million decrease in the University's net assets.

D. Newly Issued Accounting Pronouncements
In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. The State is required to apply this statement for periods beginning after June 15, 2001. GASB Statement No. 34 establishes new financial reporting requirements that fundamentally affect the presentation of a general purpose government's basic financial statements and related required supplementary information.

In November 1999, the GASB established accounting and financial reporting standards for public colleges and universities within the financial reporting guidelines of GASB Statement No. 34 when the Board issued GASB Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities.*

Management has not yet determined the impact that GASB Statements No. 34 and 35 will have on the State's financial statements.

NOTE 3 GAAP versus NON-GAAP BUDGETARY BASIS

"Actual" revenues, operating transfers-in, expenditures, encumbrances, and operating transfers-out on the non-GAAP budgetary basis do not equal those reported on the GAAP basis in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — All Governmental Fund Types and Expendable Trust Funds. This inequality results primarily from basis differences in the recognition of accruals, deferred revenue, interfund transactions, and loan transactions, and from timing differences in the budgetary basis of accounting for encumbrances. On the non-GAAP budgetary basis, the State recognizes encumbrances as expenditures in the year encumbered, while on the modified accrual basis, the State recognizes expenditures when goods or services are received regardless of the year encumbered.

Budgeted expenditures in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis) represent original appropriations modified by supplemental and amended appropriations made throughout the year, including $1.11 billion, $1.43 billion, $49.5 million, and $2.11 billion increases in the budgets of the General, Special Revenue, Debt Service, and Capital Projects funds, respectively.

A reconciliation of the fund balances recorded under the two bases for the General, Special Revenue, Debt Service, and Capital Projects funds is presented on the following page.

NOTE 3 GAAP versus NON-GAAP BUDGETARY BASIS (Continued)

Primary Government
Reconciliation of GAAP Basis Fund Balances to
Non-GAAP Budgetary Basis Fund Balances
As of June 30, 2001
(dollars in thousands)

	General	Special Revenue	Debt Service	Capital Projects
Total Fund Balances - GAAP Basis	$1,880,898	$ 3,607,251	$118,023	$535,181
Less: Unbudgeted Fund Balances	—	151,254 *	59,051	10,085
Total Budgeted Fund Balances - GAAP Basis	1,880,898	3,455,997	58,972	525,096
Less: Reserved Fund Balances	1,699,875	4,156,697	59,445	629,978
Less: Designated Fund Balances	13,104	—	—	—
Unreserved/Undesignated Fund Balances - GAAP Basis	167,919	(700,700)	(473)	(104,882)
BASIS DIFFERENCES				
Revenue Accruals/Adjustments:				
Cash Equity with Treasurer	(19,088)	(16,946)	(1,033)	(3,298)
Taxes Receivable	(1,018,309)	(288,777)	—	—
Intergovernmental Receivable	(503,498)	(683,682)	—	—
Loans Receivable	(27,580)	(490,311)	—	—
Other Receivables	(10,953)	(62,757)	(185)	(1,932)
Due from Other Funds	(16,052)	(17,752)	(130)	(1,366)
Inventories	(770)	(30,368)	—	—
Advances to Other Funds	—	(20,000)	—	—
Other Assets	(243)	(3,241)	—	—
Deferred Revenue	133,549	396,071	—	—
Total Revenue Accruals/Adjustments	(1,462,944)	(1,217,763)	(1,348)	(6,596)
Expenditure Accruals/Adjustments:				
Accounts Payable	138,374	273,707	—	63,066
Medicaid Claims Payable	716,019	—	—	—
Accrued Liabilities	81,464	46,006	1,459	—
Intergovernmental Payable	382,066	594,593	—	—
Due to Other Funds	36,899	3,063	—	200
Refund and Other Liabilities	499,624	78,595	780	—
Advances from Other Funds	—	—	—	20,000
Total Expenditure Accruals/Adjustments	1,854,446	995,964	2,239	83,266
Other Adjustments:				
Fund Balance Reclassifications:				
From Unreserved (Non-GAAP Budgetary Basis) to Reserved for:				
Debt Service	1,620	—	58,865	—
Budget Stabilization	1,002,491	—	—	—
Noncurrent Portion of Loans Receivable	25,517	437,485	—	—
Other	109,687	354,485	580	521
From Undesignated (Non-GAAP Budgetary Basis) to Designated	13,104	—	—	—
Cash and Investments Held Outside of State Treasury	(10,752)	(346,340)	(1,200)	—
Other	(2)	2	1	1
Total Other Adjustments	1,141,665	445,632	58,246	522
Total Basis Differences	1,533,167	223,833	59,137	77,192
TIMING DIFFERENCES				
Encumbrances	(195,383)	(458,848)	—	(60,669)
Budgetary Fund Balances (Deficits) — Non-GAAP Basis	$1,505,703	$(935,715)	$ 58,664	$ (88,359)

*This amount in the Special Revenue Fund includes certain unbudgeted activities within the Community and Economic Development Special Revenue Fund.

NOTE 4 DEPOSITS AND INVESTMENTS

A. Legal Requirements
The deposit and investment policies of the Treasurer of State and the State Board of Deposit are governed by the Uniform Depository Act, Chapter 135, Ohio Revised Code, which requires state moneys to be maintained in one of the following three classifications:

Active Deposits — Moneys required to be kept in a cash or near-cash status to meet current demands. Such moneys must be maintained either as cash in the State's treasury or in one of the following: a commercial account that is payable or withdrawable, in whole or in part, on demand, a negotiable order of withdrawal account, a money market deposit account, or a designated warrant clearance account.

Inactive Deposits — Those moneys not required for use within the current two-year period of designation of depositories. Inactive moneys may be deposited or invested only in certificates of deposit maturing not later than the end of the current period of designation of depositories.

Interim Deposits — Those moneys not required for immediate use, but needed before the end of the current period of designation of depositories. Interim deposits may be deposited or invested in the following instruments:

- Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
- Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
- Repurchase agreements in the securities enumerated above;
- Interim deposits in the eligible institutions applying for interim moneys;
- Bonds and other obligations of the State of Ohio;
- The Treasurer of State's investment pool;
- Linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to small businesses, as authorized under Section 135.63, Ohio Revised Code;
- Agricultural linked deposits, reduced-rate deposits at financial institutions that provide reduced-rate loans to agricultural businesses, as authorized under Section 135.74, Ohio Revised Code;
- Reverse repurchase agreements with any eligible financial institution that is a member of the Federal Reserve System or federal home loan bank, or any recognized U.S. government securities dealer;
- Securities lending agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank, or any recognized U.S. government securities dealer;
- Commercial paper, rated in one of the two highest rating categories by two nationally recognized rating agencies and not exceeding five percent of the investment portfolio;
- Bankers' acceptances maturing in 270 days or less and not exceeding 10 percent of the investment portfolio;
- Debt of domestic corporations and foreign nations diplomatically recognized by the United States, rated investment grade by nationally recognized rating agencies and, in the aggregate, not exceeding five percent of the investment portfolio; and
- No-load money market funds consisting of U.S. government and agency obligations and repurchase agreements secured by such obligations.

The primary government's deposits must be held in insured depositories approved by the State Board of Deposit and must be fully collateralized.

In some cases, deposit and investment policies of certain individual funds and component units are established by Ohio Revised Code provisions other than the Uniform Depository Act and by bond trust agreements. In accordance with applicable statutory authority, the State Highway Patrol Retirement System Pension Trust Fund, the Tuition Trust Authority Enterprise Fund, the Workers' Compensation Enterprise Fund, the Retirement Systems Agency Fund, and the higher education institutions may also invest in common and preferred stocks, domestic and foreign corporate/government bonds and notes, mortgage loans, limited partnerships, venture capital, real estate, and/or other investments.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

B. State-Sponsored Investment Pool
The Treasurer of State is the investment advisor and administrator of the State Treasury Asset Reserve of Ohio (STAROhio), a statewide external investment pool authorized under Section 135.45, Ohio Revised Code. STAROhio issues a stand-alone financial report, copies of which may be obtained by making a written request to: Director of Investments, Treasurer of State, 30 East Broad Street, 9th Floor, Columbus, Ohio 43266-0421, or by calling (614) 466-2160.

C. Deposits

1. Primary Government
As of June 30, 2001, the carrying amount of deposits was (dollars in thousands) $1,015,152, and the bank balance was $1,033,446. Of the bank balance, $105,452 was fully insured or collateralized with securities held by the primary government or its agent in the primary government's name (Category 1), $897,191 was collateralized with securities held by the pledging financial institution's trust department or its agent in the primary government's name (Category 2), and $30,803, although meeting legal collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).

2. Component Units
As of June 30, 2001, the carrying amount of deposits was (dollars in thousands) $259,133, and the bank balance was $384,940. Of the bank balance, $55,118 was fully insured or collateralized with securities held by the respective component units or their agents in the component unit's name (Category 1), $287,332 was collateralized with securities held by the pledging financial institution's trust department or its agent in the respective component unit's name (Category 2), and $42,490, although meeting legal collateralization requirements, was categorized as uninsured and uncollateralized (Category 3).

D. Investments
The State categorizes investments to give an indication of the levels of credit risk associated with the State's custodial arrangements at year-end. *Category 1* includes investments that are insured, registered, or held by the State or its agent in the State's name. *Category 2* includes uninsured and unregistered investments held by the counterparty's trust department or its agent in the State's name. *Category 3* includes uninsured and unregistered investments held by the counterparty, its trust department, or its agent, but not in the State's name.

Certain investments have not been categorized because the securities are not used as evidence of the investment. These uncategorized investments include ownership in mutual funds, real estate, venture capital and limited partnerships, direct mortgage loans, investment contracts, and the deposit with the federal government. In conformity with Governmental Accounting Standards Board Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, securities lent at year-end for cash collateral have not been categorized by custodial credit risk, while securities lent for securities collateral have been categorized.

The levels of credit risk assumed by the primary government and its component units and the carrying amount and fair value of investments, as of June 30, 2001, are detailed in the tables on the following page.

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

Primary Government
(dollars in thousands)

	Category 1	Category 2	Category 3	Total Fair Value
U.S. Government & Agency Obligations:				
Not on Securities Loan	$ 31,312,927	$ —	$ 7,088,689	$ 38,401,616
On Securities Loan	—	—	254,543	254,543
Common and Preferred Stock	48,590,158	—	4,707,447	53,297,605
Corporate Bonds and Notes:				
Not on Securities Loan	14,664,984	—	1,914,884	16,579,868
On Securities Loan	—	—	167,035	167,035
Foreign Stocks and Bonds	22,069,162	—	1,713,685	23,782,847
Commercial Paper	2,346,919	613	1,678,411	4,025,943
Repurchase Agreements	132,840	50,796	259	183,895
Securities Lending Collateral:				
U.S. Government & Agency Obligations	497,500	—	952,778	1,450,278
Repurchase Agreements	2,802,648	—	—	2,802,648
Common and Preferred Stock	—	—	442,057	442,057
Corporate Bonds and Notes	499,993	—	575,587	1,075,580
Commercial Paper	586,000	—	—	586,000
	$123,503,131	$51,409	$19,495,375	143,049,915
Investments Held by Broker-dealers under Securities Loans with Cash Collateral:				
U.S. Government and Agency Obligations				6,130,611
Common and Preferred Stock				436,448
Corporate Bonds and Notes				561,722
Mutual Funds				5,790,823
Real Estate				13,367,281
Venture Capital				1,187,691
Limited Partnerships				247,483
Direct Mortgage Loans				12,715
Investment Contracts				4,348
Securities Lending Collateral — Mutual Funds				904,647
Deposit with Federal Government				2,214,245
Component Units' Equity in State Treasurer's Cash and Investment Pool (including associated Collateral on Lent Securities)				(1,038,995)
Component Units' Equity in the State Treasury Asset Reserve of Ohio (STAROhio)				(315,315)
Total Investments — Primary Government				$172,553,619

Component Units
(dollars in thousands)

	Category 1	Category 2	Category 3	Total Fair Value
U.S. Government & Agency Obligations	$339,791	$ 592,816	$368,543	$1,301,150
Common and Preferred Stock	303,735	939,295	28,178	1,271,208
Corporate Bonds and Notes	196,570	142,723	36,584	375,877
Foreign Stocks and Bonds	21,430	—	—	21,430
Repurchase Agreements	—	170,645	261,258	431,903
Municipal Obligations	12	—	29	41
Negotiable Certificates of Deposit	1,238	—	19,300	20,538
	$862,776	$1,845,479	$713,892	3,422,147
Mutual Funds				678,593
Investment in State Treasurer's Cash and Investment Pool (including associated Collateral on Lent Securities)				1,038,995
Investment in the State Treasury Asset Reserve of Ohio (STAROhio)				315,315
Real Estate				42,167
Life Insurance				12,579
Limited Partnerships				9,046
Investment Contracts				227,183
Mortgages				470
Total Investments — Component Units				$5,746,495

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

The total carrying amount of deposits and investments, as of June 30, 2001, reported for the primary government and its component units is (dollars in thousands) $179,226,823. The total carrying amount of deposits and investments categorized and disclosed in this note is $179,574,399. A reconciliation of the difference follows.

Reconciliation of Deposits and Investments Disclosure with Combined Balance Sheet As of June 30, 2001
(dollars in thousands)

	Deposits	Investments	Total
Cash Equity with Treasurer (unrestricted and restricted)	$ 454,414	$ 6,431,785	$ 6,886,199
Cash and Cash Equivalents (unrestricted and restricted)	564,744	1,731,571	2,296,315
Investments	9,168	158,750,437	158,759,605
Collateral on Lent Securities (unrestricted and restricted)	—	7,261,208	7,261,208
Deposit with Federal Government	—	2,214,245	2,214,245
Restricted Assets:			
Investments	—	194,784	194,784
Dedicated Investments	—	1,614,467	1,614,467
Carrying Amount per Combined Balance Sheet	1,028,326	178,198,497	179,226,823
Outstanding Warrants and Other Reconciling Items	245,959	101,617	347,576
Total Reporting Entity	$1,274,285	$178,300,114	$179,574,399

E. Securities Lending Transactions

The Treasurer of State and the Bureau of Workers' Compensation (BWC) participate in securities lending programs for securities included in the "Cash Equity with Treasurer," "Investments," and "Dedicated Investments" accounts and the STAROhio program. Each lending program is administered by a custodial agent bank, whereby certain securities are transferred to an independent broker-dealer (borrower) in exchange for collateral. The State requires its custodial agents to ensure that the State's lent securities are collateralized at no less than 102 percent of market value. Consequently, as of June 30, 2001, the State had no credit exposure since the amount the State owed to borrowers exceeded the amount borrowers owed the State.

For loan contracts the Treasurer executes, not more than 10 percent of the State's cash and investment portfolio, which is reported as "Cash Equity with Treasurer," can be lent to a single broker-dealer. For the STAROhio program, not more than 25 percent of the STAROhio investment pool may be lent at any one time, and not more than 10 percent of the investment pool may be subject to term loans in excess of one business day.

The State cannot sell securities received as collateral unless the borrower defaults. Consequently, these amounts are not reflected in the financial statements. The State invests cash collateral in short-term obligations, which have a weighted average maturity of 45 days or less and generally match the maturities of securities loans. Loan contracts do not provide any loss indemnification by securities lending agents in cases of borrower default; however, during fiscal year 2001, the State had not experienced any losses due to credit or market risk on securities lending activities.

During the fiscal year, the Treasurer and the STAROhio program lent U.S. government and agency obligations in exchange for collateral consisting of cash and/or other U.S. government obligations. The BWC lent fixed maturities and equity securities in exchange for cash, broker-provided, and letters of credit collateral.

F. Derivatives

Derivatives are generally defined as a contract whose value depends on, or derives, from the values of an underlying asset, reference rate, or index.

During fiscal year 2001, the Bureau of Workers' Compensation Enterprise Fund held certain mortgage and asset-backed securities (included under the "U.S. Government and Agency Obligations" investment type in the amount of approximately $6.0 billion at fair value, as of June 30, 2001), which the fund classified as derivatives. The overall return or yield on mortgage-backed securities depends on the interest amount collected over the life of the security and the change in the fair value. Although the Bureau will receive the full principal amount, if prepaid, the interest income that would have been collected during the remaining period to maturity is lost. Accordingly, the yields and maturities of mortgage-backed securities generally depend on when the underlying mortgage loan principal and interest are repaid. If the market rates fall below a mortgage

NOTE 4 DEPOSITS AND INVESTMENTS (Continued)

loan's contractual rate, it is generally to the borrower's advantage to repay the existing loan and obtain new lower financing.

Through the use of international money managers, the Bureau of Workers' Compensation also entered into various forward currency contracts to manage exposure to changes in foreign currency exchange rates on its foreign portfolio holdings. The international money managers may also enter into foreign currency exchange contracts to provide a quantity of foreign currency needed at a future time at the current exchange rates, if rates are expected to change dramatically. A forward exchange contract is a commitment to purchase or sell a foreign currency at a future date at a negotiated rate. Risk associated with such contracts includes movement in the value of foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. The fair value of the forward currency contracts payable by the Bureau was $39 thousand, as of June 30, 2001.

Additionally, during the reporting period, the Public Employees Retirement System, Police and Fire Pension Fund, School Employees Retirement System, and the State Teachers Retirement System, the investments of which are held in the Treasurer of State's custody and are reported in the Retirement Systems Agency Fund, had investments in derivatives and similar debt and investment transactions. Specific information on the nature of the transactions and the reasons for entering into them can be found in each respective system's Comprehensive Annual Financial Report.

NOTE 5 TAXES RECEIVABLE

The following table provides a summary of taxes receivable for the primary government.

Primary Government
Taxes Receivable
As of June 30, 2001
(dollars in thousands)

	General	Special Revenue	Trust and Agency	Total
Income Taxes	$ 385,008	$ 36,737	$ —	$ 421,745
Sales Taxes	559,292	29,926	—	589,218
Motor Vehicle Fuel Taxes	—	204,602	—	204,602
Public Utility Taxes	74,009	15,165	—	89,174
Unemployment Taxes	—	—	136,476	136,476
Other Taxes	—	2,347	—	2,347
Total Taxes Receivable	$1,018,309	$288,777	$136,476	$1,443,562

As of June 30, 2001, approximately $108.1 million of the income taxes receivable balance is also reported as deferred revenue on the balance sheet. Refund liabilities for income and corporation franchise taxes, totaling approximately $567.4 million, are reported as "Refunds and Other Liabilities," of which $497 million is reported in the General Fund and $70.4 million is reported in the Special Revenue Fund.

NOTE 6 INTERGOVERNMENTAL, LOANS, AND OTHER RECEIVABLES

A. Intergovernmental Receivables

Intergovernmental receivables for the primary government, as of June 30, 2001, consist of the following.

Primary Government
Intergovernmental Receivables
As of June 30, 2001
(dollars in thousands)

Type of Intergovernmental Receivable	General	Special Revenue	Internal Service	Trust and Agency	Total
Federal Receivable — Nonexchange Programs	$430,079	$ 453,343	$ —	$24	$ 883,446
Advances to Local Governments — Nonexchange Programs	71,584	228,695	—	—	300,279
Local Government Receivable — Exchange Transactions for the Sale of State Goods and Services	1,835	1,644	2,207	—	5,686
Total Intergovernmental Receivables	$503,498	$683,682	$2,207	$24	$1,189,411

B. Loans Receivable

Loans receivable (net of uncollectible amounts) for the primary government and its component units, as of June 30, 2001, consist of the following.

Primary Government
Loans Receivable
As of June 30, 2001
(dollars in thousands)

Loan Program	General	Special Revenue	Debt Service	Total
Primary, Secondary and Other Education:				
School District Solvency Assistance	$ 8,175	$ —	$ —	$ 8,175
Vocational Education	418	118	—	536
Wayne Trace Local School District	5,172	—	—	5,172
Vocational School Assistance	—	9,518	—	9,518
Physician Loan Repayment	—	523	—	523
Nurses Education Assistance	—	251	—	251
Total Primary, Secondary and Other Education	13,765	10,410	—	24,175
Community and Economic Development:				
Office of Minority Financial Incentives	2,250	—	—	2,250
Rail Development	—	5,572	—	5,572
Local Government Y2K Assistance	1,427	—	—	1,427
Office of Business Development	—	275,939	—	275,939
Ohio Housing Finance Agency	—	191,065	—	191,065
Small Government Fire Departments	365	—	—	365
Total Community and Economic Development	4,042	472,576	—	476,618
Higher Education Research Investment Loans	—	—	2,571	2,571
Highway, Transit, and Aviation Infrastructure Bank	—	46,899	—	46,899
Natural Resources	—	287	—	287
Local Infrastructure Improvements	—	198,000	—	198,000
Columbiana County Economic Stabilization	2,392	—	—	2,392
State Workforce Development	7,381	—	—	7,381
Total Loans Receivable	$27,580	$728,172	$2,571	$758,323

NOTE 6 INTERGOVERNMENTAL, LOANS, AND OTHER RECEIVABLES (Continued)

Component Units
Loans Receivable
As of June 30, 2001
(dollars in thousands)

Loan Type	Ohio Water Development Authority (12/31/00)	Ohio State University	University of Cincinnati	Kent State University	Other Component Units	Total Component Units
Water and Wastewater Treatment	$2,171,815	$ —	$ —	$ —	$ —	$2,171,815
Student	—	63,595	29,584	19,690	84,800	197,669
Other	—	—	641	—	1,683	2,324
Total Loans Receivable	$2,171,815	$63,595	$30,225	$19,690	$86,483	$2,371,808

C. Other Receivables

Other receivables for the primary government and its component units, as of June 30, 2001, are as follows.

Primary Government
Other Receivables
As of June 30, 2001
(dollars in thousands)

Unrestricted:	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Trust and Agency	Total
Accounts Receivable	$ 2,584	$13,465	$ —	$ —	$164,825	$ 3,085	$ —	$183,959
Interest and Dividends Receivable	8,184	8,205	696	1,974	119,363	175	18,327	156,924
Women, Infants and Children Program Rebate Receivable	—	17,639	—	—	—	—	—	17,639
Health Facility Bed Assessments Receivable	—	13,052	—	—	—	—	—	13,052
Leases Receivable	—	—	—	—	—	23,086	—	23,086
Receivables from Lottery Sales Agents	—	—	—	—	37,237	—	—	37,237
Claims & Settlements Receivable	—	—	—	—	—	—	20,242	20,242
Employer Interest and Penalties on Unemployment Taxes	—	22,220	—	—	—	—	—	22,220
Refunds from Academic Grants and Scholarships Programs	185	—	—	—	—	—	—	185
Variable College Savings Plan Units Sold	—	—	—	—	—	—	3,360	3,360
Miscellaneous Receivables	—	521	—	—	87	864	2,967	4,439
Total Unrestricted	10,953	75,102	696	1,974	321,512	27,210	44,896	482,343
Restricted:								
Interest Receivable	—	—	—	—	5,625	—	—	5,625
Total Unrestricted and Restricted	$10,953	$75,102	$696	$1,974	$327,137	$27,210	$44,896	$487,968

Component Units
Other Receivables
As of June 30, 2001
(dollars in thousands)

	Ohio State University	University of Cincinnati	Ohio University	Miami University	Other Component Units	Total Component Units
Accounts Receivable	$305,527	$ 46,704	$23,059	$23,106	$123,521	$521,917
Interest Receivable	12,889	6,533	1,024	720	9,555	30,721
Pledges Receivable	—	49,151	—	1,007	5,915	56,073
Miscellaneous Receivable	—	230	—	—	6,694	6,924
Total Other Receivables	$318,416	$102,618	$24,083	$24,833	$145,685	$615,635

NOTE 6 INTERGOVERNMENTAL, LOANS, AND OTHER RECEIVABLES (Continued)

Under long-term direct financing leases with local governments for office space, the Ohio Building Authority, a blended component unit, charges a pro-rata share of the buildings' debt service and operating costs based on square-footage occupied.

Future lease payments included under "Other Receivables" in the Ohio Building Authority Internal Service Fund, net of executory costs, are as follows (dollars in thousands):

Year Ending June 30,	Leases Receivable
2002	$ 5,008
2003	5,012
2004	5,037
2005	4,187
2006	8,876
Thereafter	7,793
Total minimum lease payments	35,913
Amount representing interest	(12,827)
Present value of net minimum lease payments	$23,086

NOTE 7 INTERFUND AND INTRA-ENTITY BALANCES AND TRANSFERS

Interfund balances, as of June 30, 2001, and operating transfers, for the year ended June 30, 2001, are as follows (dollars in thousands):

Fund Type/Fund	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds	Operating Transfers-In	Operating Transfers-Out
General	$ 16,052	$ 36,899	$ —	$ —	$ 207,488	$1,061,119
Special Revenue:						
Community and Economic Development	2,696	721	—	190,858	41,284	12,377
Job, Family and Other Human Services	92	474	—	—	47,866	5,319
Health	49	90	—	—	10,322	429
Mental Health and Retardation	27	537	—	—	2,700	—
Education	119	154	—	—	646,740	63,379
Highway Safety	1,790	1,178	—	—	175,101	10,075
Highway Operating	2,579	282	20,000	—	552,392	217,055
Natural Resources	349	81	—	—	170	2,497
Wildlife and Waterways Safety	137	2	—	—	966	11
Revenue Distribution	8,468	53	—	—	64,095	728,241
Local Infrastructure and Transportation Improvements	459	7	—	—	62,516	—
Tobacco Settlement	823	—	—	—	—	—
Arts Facilities Improvements	104	—	—	—	30,342	—
Sports Facilities Improvements	60	—	—	—	24,087	—
Total Special Revenue Fund	17,752	3,579	20,000	190,858	1,658,581	1,039,383
Debt Service:						
Economic Development Revenue Bonds	—	—	—	—	15,818	—
Coal Research/Development General Obligations	—	—	—	—	7,226	20
Improvements General Obligations	1	—	—	—	—	—
Development General Obligations	—	—	—	—	—	9
Highway General Obligations	119	—	—	—	—	35
Public Improvements General Obligations	—	—	—	—	—	9
Local Infrastructure Improvements General Obligations	—	—	—	—	132,095	67
Higher Education Facilities Special Obligations	—	—	—	—	325,135	—
Mental Health Facilities Special Obligations	—	—	—	—	55,131	—
Parks and Recreation Facilities Special Obligations	—	—	—	—	11,844	—
State Projects General Obligations	—	—	—	—	15,517	51
School Building Program Special Obligations	—	—	—	—	41,707	—
Highway Capital Improvements General Obligations	10	—	—	—	111,528	39
Infrastructure Bank Revenue Bonds	—	—	—	—	11,277	—
Higher Education Capital Facilities General Obligations	—	—	—	—	27,968	113

(Continued)

NOTE 7 INTERFUND AND INTRA-ENTITY BALANCES AND TRANSFERS (Continued)

Fund Type/Fund	Due from Other Funds	Due to Other Funds	Advances to Other Funds	Advances from Other Funds	Operating Transfers-In	Operating Transfers-Out
Debt Service (continued):						
Common Schools Capital Facilities General Obligations	—	—	—	—	27,893	85
Ohio Building Authority Special Obligations	—	—	—	—	279,839	4,209
Enterprise Revenue Bonds	—	—	—	—	—	8,340
Total Debt Service Fund	130	—	—	—	1,062,978	12,977
Capital Projects:						
Infrastructure Bank Obligations	24	—	—	20,000	—	—
Higher Education Improvements	223	—	—	—	—	587
Mental Health/Mental Retardation Facilities Improvements	14	—	—	—	—	—
Parks and Recreation Improvements	46	—	—	—	—	—
Ohio Building Authority	—	—	—	—	7,126	239,887
Administrative Services Building Improvements	266	—	—	—	124,067	7,126
Youth Services Building Improvements	83	22	—	—	41,041	—
Transportation Building Improvements	1	—	—	—	—	—
Adult Correctional Building Improvements	172	14	—	—	—	—
Highway Safety Building Improvements	53	—	—	—	20,004	—
Ohio Parks and Natural Resources	24	—	—	—	—	—
Highway Capital Improvement	460	164	—	—	—	—
Total Capital Projects Fund	1,366	200	—	20,000	192,238	247,600
Enterprise:						
Liquor Control	7	2,473	—	—	—	121,261
Ohio Lottery Commission	—	—	—	—	—	637,036
Workers' Compensation	—	—	—	—	—	6,795
Underground Parking Garage	—	—	—	—	—	773
Office of Auditor of State	1,681	—	—	—	36,715	—
Total Enterprise Fund	1,688	2,473	—	—	36,715	765,865
Internal Service:						
Ohio Building Authority	—	—	—	—	29,857	31,779
Information Technology	14,163	2,828	—	—	—	5,000
Ohio Penal Industries	17,670	1,159	—	—	9,558	—
Support Services	5,070	38	—	—	—	—
Total Internal Service Fund	36,903	4,025	—	—	39,415	36,779
Expendable Trust:						
Unemployment Compensation	—	—	—	—	—	33,692
Unclaimed Funds	516	—	190,858	—	—	—
Pension Trust:						
State Highway Patrol	3,078	—	—	—	—	—
Agency:						
Holding and Distribution	—	22,357	—	—	—	—
Payroll Withholding and Fringe Benefits	109	6,960	—	—	—	—
Other	123	—	—	—	—	—
Total Trust and Agency Funds	3,826	29,317	190,858	—	—	33,692
Total per Financial Statements — Primary Government	77,717	76,493	210,858	210,858	3,197,415	3,197,415
Reconciliation for :						
Timing Differences for Funds with December 31, 2000 Year-Ends	(1,225)	—	—	—	—	—
Rounding Differences	1	—	—	—	—	—
Reconciled Total for the Primary Government	76,493	76,493	$210,858	$210,858	$3,197,415	$3,197,415
Component Units:						
Ohio State University	344,801	344,801				
University of Cincinnati	271,725	271,725				
Other Component Units	106,027	106,027				
Total per Financial Statements — Component Units	722,553	722,553				
Total Reporting Entity	$799,046	$799,046				

NOTE 7 INTERFUND AND INTRA-ENTITY BALANCES AND TRANSFERS (Continued)

For the fiscal year ended June 30, 2001, the Debt Service Fund reports residual equity transfers-out in the amount of $23.9 million to the Special Revenue Fund. The transfer of remaining assets resulted when debt service activities for the Enterprise Bond Program ceased upon the final retirement of this program's associated debt.

Additionally, the Capital Projects Fund reports $2.2 million in residual equity transfers-out. The transfer represents capital contributions to the Internal Service funds, as more detailed in NOTE 18.

Operating transfers from the General Fund and the Special Revenue Fund to the School Facilities Commission provided funding for capital construction at local school districts.

Operating transfers between the primary government's funds and the colleges and universities represent transfers of moneys from

- the General Fund for instructional and non-instructional financial support, and
- the Capital Projects Fund for the funding of capital facilities on a cost-reimbursement basis

Details of amounts transferred during the year ended June 30, 2001 are presented below.

Intra-Entity Transfers
For the Year Ended June 30, 2001
(dollars in thousands)

Component Unit	Operating Transfers from the General Fund	Operating Transfers From the Special Revenue Fund	Operating Transfers from the Capital Projects Fund	Total Transfers From the Primary Government
Governmental:				
School Facilities Commission	$120,000	$138,063	$ —	$258,063
College and University:				
Ohio State University	467,906	—	47,330	515,236
University of Cincinnati	199,780	—	46,128	245,908
Ohio University	149,319	—	27,757	177,076
Miami University	87,857	—	23,090	110,947
University of Akron	105,441	—	16,011	121,452
Bowling Green State University	89,263	—	13,418	102,681
Kent State University	124,671	—	16,394	141,065
University of Toledo	88,590	—	4,980	93,570
Cleveland State University	77,287	—	25,764	103,051
Youngstown State University	48,429	—	3,927	52,356
Wright State University	97,185	—	10,586	107,771
Shawnee State University	16,294	—	483	16,777
Central State University	19,051	—	2,457	21,508
Medical College of Ohio	38,836	—	3,774	42,610
Terra State Community College	7,098	—	511	7,609
Columbus State Community College	41,372	—	2,620	43,992
Clark State Community College	7,525	—	342	7,867
Edison State Community College	6,210	—	—	6,210
Southern State Community College	4,485	—	502	4,987
Washington State Community College	5,198	—	175	5,373
Cincinnati State Community College	21,596	—	182	21,778
Northwest State Community College	5,673	—	484	6,157
Owens State Community College	35,651	—	1,219	36,870
Total College and University	1,744,717	—	248,134	1,992,851
Total	$1,864,717	$138,063	$248,134	$2,250,914

NOTE 8 FIXED ASSETS

The following tables show fixed assets for the primary government and its component units by asset category, as of June 30, 2001, and the changes in the primary government's general fixed assets for the year ended June 30, 2001. No projects were under construction during fiscal year 2001 that resulted in capitalized interest for the proprietary and fiduciary fund types.

Primary Government
Fixed Assets
As of June 30, 2001
(dollars in thousands)

	Enterprise	Internal Service	Pension Trust	General Fixed Assets	Total Primary Government
Land	$ 12,631	$ —	$ —	$ 234,180	$ 246,811
Buildings	242,766	5,733	—	2,971,739	3,220,238
Land Improvements	66	771	—	185,542	186,379
Machinery and Equipment	113,153	81,594	305	256,155	451,207
State Vehicles	6,367	1,047	—	265,750	273,164
Construction-in-Progress	1,123	—	—	291,793	292,916
Total Fixed Assets (at cost)	376,106	89,145	305	4,205,159	4,670,715
Accumulated Depreciation	(182,716)	(63,135)	(134)	—	(245,985)
Total Fixed Assets (net)	$ 193,390	$ 26,010	$ 171	$4,205,159	$4,424,730

Primary Government
Changes in General Fixed Assets
For the Fiscal Year Ended June 30, 2001
(dollars in thousands)

	Balance July 1, 2000	Beginning Balance Adjustments	Additions	Deletions/ Net Transfers	Balance June 30, 2001
Land	$ 223,556	$ 25	$ 10,782	$ (183)	$ 234,180
Buildings	2,694,149	44,264	241,174	(7,848)	2,971,739
Land Improvements	165,090	6,720	15,296	(1,564)	185,542
Machinery and Equipment	258,690	(18,923)	27,799	(11,411)	256,155
State Vehicles	256,300	(6,667)	34,422	(18,305)	265,750
Construction-in-Progress	560,445	(38,485)	145,127	(375,294)	291,793
Total General Fixed Assets	$4,158,230	$(13,066)	$474,600	$(414,605)	$4,205,159

Component Units
Fixed Assets
As of June 30, 2001
(dollars in thousands)

	Ohio State University	University of Cincinnati	Ohio University	Miami University	University of Akron
Land	$ 37,891	$ 17,912	$ 13,948	$ 2,294	$ 17,542
Buildings	1,906,065	974,861	371,504	353,681	38,102
Land Improvements	170,020	21,998	60,892	65,964	337,608
Machinery, Equipment, and Vehicles	681,674	222,532	102,666	106,957	102,710
Library Books and Publications	151,281	101,984	60,234	48,515	57,356
Construction-in-Progress	153,915	76,064	66,724	48,196	36,324
Total Fixed Assets (at cost)	3,100,846	1,415,351	675,968	625,607	589,642
Accumulated Depreciation	—	—	—	—	—
Total Fixed Assets (net)	$3,100,846	$1,415,351	$675,968	$625,607	$589,642

(Continued)

NOTE 8 FIXED ASSETS (Continued)

	Kent State University	University of Toledo	Cleveland State University	Other Component Units	Total Component Units
Land	$ 7,697	$ 17,798	$ 52,026	$ 54,191	$ 221,299
Buildings	328,931	325,498	329,270	1,386,542	6,014,454
Land Improvements	45,649	37,430	14,934	97,972	852,467
Machinery, Equipment, and Vehicles	84,651	34,846	42,695	339,005	1,717,736
Library Books and Publications	51,407	21,172	51,799	80,130	623,878
Construction-in-Progress	19,392	11,186	—	77,232	489,033
Total Fixed Assets (at cost)	537,727	447,930	490,724	2,035,072	9,918,867
Accumulated Depreciation	—	—	—	(480)	(480)
Total Fixed Assets (net)	$537,727	$447,930	$490,724	$2,034,592	$9,918,387

NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS

All part-time and full-time employees and elected officials of the State, including its component units, are eligible to be covered by one of the following retirement plans:

- Public Employees Retirement System
- State Teachers Retirement System
- State Highway Patrol Retirement System
- Alternative Retirement Plan

A. Public Employees Retirement System (PERS)

Pension Benefits
PERS is a cost-sharing, defined benefit multiple-employer public employee retirement system.

PERS benefits are established under Chapter 145, Ohio Revised Code. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

Regular employees may retire after 30 years of credited service regardless of age, at age 55 or after with 25 years of credited service, or at age 60 or after with five years of credited service. Regular employees retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Law enforcement employees may retire at age 52 with 25 or more years of credited service, or, under qualifying circumstances, as early as age 48.

Effective January 1, 2001, legislation established a new class of law enforcement employees under the plan to include sheriffs, deputy sheriffs, and township police officers. This class of employees may retire with at least 25 years of service credit with full benefits at age 48. PERS is developing contribution rates and benefit structures that are separate and distinct from those of other law enforcement employees.

The retirement allowance is based on years of credited service and the final average salary, which is the average of the member's three highest salary years. The annual allowance for regular employees is determined by multiplying the final average salary by 2.2 percent for each year of Ohio contributing service up to 30 years and by 2.5 percent for all other years in excess of 30 years of credited service. The annual allowance for law enforcement employees is determined by multiplying the final average salary by 2.5 percent for the first 25 years of Ohio contributing service, and by 2.1 percent for each year of service over 25 years.

Employer and employee required contributions to PERS are established under the Ohio Revised Code and are based on percentages of covered employees' gross salaries, which are calculated annually by the retirement system's actuaries. Contribution rates for calendar year 2000 are as follows:

	Contribution Rates	
	Employee Share	Employer Share
January 1 through June 30, 2000:		
Regular Employees	8.50%	13.31%
Law Enforcement Employees	9.00	16.70
July 1 through December 31, 2000:		
Regular Employees	8.50%	7.99%
Law Enforcement Employees	9.00	14.70

NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employer contributions required and made for the last three years follow (dollars in thousands).

Primary Government		
For the Year Ended December 31,	Employer's Contribution for Regular Employees	Employer's Contribution for Law Enforcement Employees
2000	$159,528	$2,994
1999	221,791	3,094
1998	212,114	2,970

Component Units	
For the Year Ended June 30,	Employer's Contribution for Regular Employees
2001	$ 72,686
2000	101,154
1999	100,392

Recent legislation also grants PERS the authority to establish a defined contribution plan as an alternative to the current defined benefit plan. PERS is currently developing such a plan, which is expected to become operational sometime in calendar year 2002. Law enforcement employees will not be eligible to participate in the alternative plan, which will cover classes of employees not currently eligible to participate in the existing PERS alternative retirement plan, as discussed further in Note 9D.

PERS issues a stand-alone financial report, copies of which may be obtained by making a written request to: Public Employees Retirement System of Ohio, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 466-2085 or 1-800-222-PERS.

Other Postemployment Benefits
All age and service retirees with 10 or more years of service credit qualify for healthcare coverage under PERS. Healthcare coverage for disability recipients and primary survivor recipients is also available. Chapter 145, Ohio Revised Code, provides the statutory authority for employer contributions. For calendar year 2000, the portion of the employer rate that is used to fund healthcare is 4.3 percent of covered payroll for law enforcement and regular employees. Employees do not fund any portion of healthcare costs.

Benefits are advance-funded using the entry-age, normal cost method. Significant actuarial assumptions, based on the latest actuarial review performed as of December 31, 1999, include a rate of return on investments of 7.75 percent, an annual increase in total payroll for active employees of 4.75 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Healthcare premiums were assumed to increase 4.75 percent annually.

Net assets available for payment of benefits at December 31, 1999 (the latest information available) were $10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were $12.5 million and $1.7 billion, respectively. All investments are carried at market value. For the actuarial valuation of net assets available for future healthcare benefits, PERS applies the smoothed market approach. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investments.

The State's actuarially required and actual contributions for the PERS healthcare plan are as follows (dollars in thousands):

Primary Government:	
(for the year ended December 31, 2000)	
Regular Employees	$108,945
Law Enforcement Employees	1,133
Total	$110,078
Component Units:	
(for the year ended June 30, 2001)	$ 49,022

The number of active contributing participants for the primary government was 61,281, as of December 31, 2000.

B. State Teachers Retirement System (STRS)

Pension Benefits
STRS is a cost-sharing, defined benefit multiple-employer public employee retirement system.

Participants in STRS, may retire after 30 years of credited service regardless of age, or at or after age 55 with 25 years of credited service, or at or after age 60 with five years of credited service. Members retiring before age 65 with less than 30 years of service credit receive a percentage reduction in benefit amounts. Retirees are entitled to a maximum annual retirement benefit, payable in monthly installments for life, equal to the greater of the "formula benefit" or the "money-purchase benefit" calculation.

NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Under the "formula benefit" calculation, the retirement allowance is based on years of credited service and the final average salary, which is the average of the member's three highest salary years. The annual allowance is determined by multiplying the final average salary by 2.5 percent for each year of Ohio contributing service in excess of 30 years and by 2.2 percent for all other years of credited service up to a maximum annual allowance of 100 percent of final average salary. Each year over 30 years is increased incrementally by .1 percent starting at 2.5 percent for the 31st year of Ohio service. For teachers with 35 or more years of earned service, the annual allowance is determined by multiplying the final average salary by 2.5 percent for the first 30 years of service.

Under the "money-purchase benefit" calculation, a member's lifetime contributions, plus interest at specified rates, are matched by an equal amount from contributed employer funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance. Annually, after retirement, STRS benefits are increased by the greater of the amount of the change in the Consumer Price Index or the cumulative increase in prior years, less previous cost-of-living increases, up to a maximum of three percent.

A retiree of STRS or any other Ohio public retirement system is eligible for re-employment as a teacher after two months from the date of retirement. Members and the employer make contributions during the period of re-employment. Upon termination or the retiree reaches the age of 65, whichever comes later, the retiree is eligible for a money-purchase benefit or a lump-sum payment in addition to the original retirement allowance.

STRS also provides death, survivors', disability, healthcare, and supplemental benefits. STRS benefits are established under Chapter 3307, Ohio Revised Code.

Employer and employee required contributions to STRS are established by the Board and limited under the Ohio Revised Code to employer and employee rates of 14 percent and 10 percent, respectively, and are based on percentages of covered employees' gross salaries, which are calculated annually by the retirement system's actuary.

Contribution rates for fiscal year 2001 were 14 percent for employers and 9.3 percent for employees. For STRS, 9.5 percent of the employer rate is used to fund pension obligations. The difference between the total employer rate and the share used to fund pension obligations is the percentage used to fund the STRS healthcare program.

Employer contributions required and made for the last three years are as follows (dollars in thousands):

Year Ended June 30,	Primary Government	Component Units
2001	$5,177	$93,410
2000	3,028	59,841
1999	2,876	59,593

Recent legislation grants STRS the authority to establish a defined contribution plan as an alternative to both the current defined benefit plan and the Alternative Retirement Plan (See NOTE 9D). STRS is currently developing such a plan, which is expected to be operational by July 1, 2001.

STRS issues a stand-alone financial report, copies of which may be obtained by making a written request to: State Teachers Retirement System of Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771, or by calling (614) 227-4090.

Other Postemployment Benefits

The STRS plan provides comprehensive healthcare benefits to retirees and their dependents. Retirees are required to make healthcare premium payments at amounts that vary according to each retiree's years of credited service and choice of healthcare provider. Retirees must pay additional premiums for covered spouses and dependents. Chapter 3307, Ohio Revised Code, gives the STRS board discretionary authority over how much, if any, of associated healthcare costs are absorbed by the plan. Currently, employer contributions equal to 4.5 percent of covered payroll are allocated to pay for healthcare benefits.

The employer contribution is financed on a pay-as-you-go basis. As of June 30, 2000 (the most recent information available), net assets available for future healthcare benefits were $3.4 billion. Net healthcare costs paid by the primary government and its component units, for the year ended June 30, 2001, totaled approximately $2.5 million and $42.5 million, respectively. The number of eligible benefit recipients for STRS as a whole was 112,092, as of June 30, 2000; a breakout of the number of eligible recipients for the primary government and its component units, as of June 30, 2001, is unavailable.

C. State Highway Patrol Retirement System (SHPRS)

SHPRS, a component unit of the State, was established in 1944 by the General Assembly as a single-

NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

employer, defined benefit pension plan and is administered by the State.

The plan issues a stand-alone financial report that includes financial statements and required supplementary information, and the State reports the plan as a pension trust fund. Copies of the financial report may be obtained by writing to the Ohio State Highway Patrol Retirement System, 6161 Busch Boulevard, Suite 119, Columbus, Ohio 43229-2553, or by calling (614) 466-2268.

SHPRS is authorized under Chapter 5505, Ohio Revised Code, to provide retirement and disability benefits to retired members and survivor benefits to qualified dependents of deceased members of the Ohio State Highway Patrol. Chapter 5505, Ohio Revised Code, also requires contributions by active members and the Ohio State Highway Patrol. The employee contribution rate is established by the General Assembly, and any change in the rate requires legislative action. The SHPRS Retirement Board establishes and certifies the employer contribution rate to the State of Ohio every two years. By law, the employer rate may not exceed three times the employee contribution rate nor be less than the employee's contribution rate.

Contribution rates for calendar year 2000 are as follows:

	Contribution Rates	
	Employee Share	Employer Share
January 1 through June 30, 2000	10.00%	23.50%
July 1 through December 31, 2000	9.50%	23.50%

During calendar year 2000, all of the employees' contributions funded pension benefits while 18.75 percent of the employer's contributions funded pension benefits. The difference in the total employer rates charged and the employer rates applicable to the funding of pension benefits is applied to the funding of postemployment healthcare benefits.

SHPRS's financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when the liability is incurred and revenues are recorded when they are earned.

All investments are reported at fair value. Fair value is, "the amount that the plan can reasonably expect to receive for an investment in a current sale, between a willing buyer and a willing seller – that is, other than in a forced or liquidation sale." Short-term investments are reported at cost, which approximates fair value. Corporate bonds are valued at the median price by the brokerage firms.

Securities traded on a national exchange are valued at the last reported sales price at the current exchange rate. The fair value of real estate investments are based on the estimated current value and on independent appraisals. For actuarial purposes, assets are valued with a method that amortizes each year's investment gain or loss over a closed, four-year period.

The employer's annual pension costs for the last three calendar years are as follows (dollars in thousands):

Year Ended December 31,	Primary Government	Percentage of Employer's Annual Pension Cost Contributed
2000	$11,686	100%
1999	13,351	100
1998	13,060	100

SHPRS used the entry-age, normal actuarial cost method for the Schedule of Funding Progress for the actuarial valuation, dated December 31, 2000. Assumptions used in preparing the Schedule of Funding Progress and in determining the annual required contribution include: an eight percent rate of return on investments; projected salary increase of 4.5 percent attributable to inflation and additional projected salary increases ranging from .3 percent to 3.7 percent a year attributable to seniority and merit; and postretirement increases each year equal to the increase in the Consumer Price Index (not to exceed three percent).

The unfunded actuarial accrued liability is being amortized using the level-percentage of projected payroll method over a closed period of eight years.

The Schedule of Funding Progress for the last three years is presented in the table on the following page. Amounts reported do not include assets or liabilities for postemployment healthcare benefits.

NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

SHPRS Schedule of Funding Progress
Last Three Calendar Years
(dollars in thousands)

(A) Valuation Year	(B) Actuarial Accrued Liability (AAL)	(C) Valuation Assets	(D) Unfunded Actuarial Accrued Liability (UAAL) (B) – (C)	(E) Ratio of Assets to AAL (C)/(B)	(F) Active Member Payroll	(G) UAAL as Percentage of Active Member Payroll (D)/(F)
2000 (a)	$594,223	$570,040	$24,183	95.9%	$69,028	35.0%
2000	607,411	570,040	37,371	93.8	69,028	54.1
1999 (b)	577,010	546,511	30,499	94.7	66,017	46.2
1999	564,673	546,511	18,162	96.8	66,017	27.5
1998	532,957	509,860	23,097	95.7	65,154	35.4

(a) Change in assumption or method.
(b) The plan was amended in 1999.

Other Postemployment Benefits
In addition to providing pension benefits, SHPRS pays health insurance claims on behalf of all persons receiving a monthly pension or survivor benefit and Medicare Part B basic premiums for those eligible benefit recipients upon proof of coverage. The number of active contributing plan participants, as of December 31, 2000, was 1,489. The cost of retiree healthcare benefits is recognized as claims are incurred and premiums are paid. The calendar year 2000 expense was $4.6 million.

Healthcare benefits are established in Chapter 5505, Ohio Revised Code, and are advance funded by the employer on the same actuarially determined basis (using the same assumptions) as are the SHPRS pension benefits, as previously discussed. In addition, the assumption that projected healthcare premiums would increase at a rate of 4.5 percent, compounded annually, due to inflation was also used in the valuation. Net assets available for benefits allocated to healthcare costs at December 31, 2000 were $98.2 million, and included investments carried at fair value, as previously described.

As of December 31, 2000, the actuarial accrued liability for healthcare benefits, the portion of the present value of plan promises to pay benefits in the future that are not covered by future normal cost contributions, was $124.9 million; the actuarial accrued liability for healthcare benefits at that date was $26.7 million.

Employer contributions are made in accordance with actuarially determined requirements. The employer contribution requirement was approximately $3 million or 4.75 percent of active member payroll for the period, January 1 through December 31, 2000.

D. Alternative Retirement Plan (ARP)

Pension Benefits
The ARP is a defined contribution retirement plan that is authorized under Section 3305.02, Ohio Revised Code. The ARP provides at least three or more alternative retirement plans for academic and administrative employees of Ohio's institutions of higher education, who otherwise would be covered by STRS or PERS. Classified civil service employees are not eligible to participate in the ARP.

The Board of Trustees of each public institution of higher education enters into contracts with each approved retirement plan provider. Once established, full-time faculty and unclassified employees who are hired subsequent to the establishment of the ARP, or who had less than five years of service credit under the existing retirement plans, may choose to enroll in the ARP. The choice is irrevocable for as long as the employee remains continuously employed in a position for which the ARP is available. For those employees that choose to join the ARP, any prior employee contributions that had been made to STRS or PERS would be transferred to the ARP. The Ohio Department of Insurance has designated eight companies as being eligible to serve as plan providers for the ARP.

Ohio law requires that employee contributions be made to the ARP in an amount equal to those that would otherwise have been required by the retirement system that applies to the employee's position. Therefore, employees who would have otherwise been enrolled in STRS or PERS would contribute 9.3 percent or 8.5 percent (9.0 percent for law enforcement employees) of their gross salaries', respectively. Employees may also voluntarily make additional contributions to the ARP.

NOTE 9 PENSION PLANS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Ohio law also requires each public institution of higher education contribute 5.76 percent of a participating employee's gross salary for the year ended June 30, 2001 to STRS in cases when the employee would have otherwise been enrolled in STRS.

For the year ended June 30, 2001, employers were not required to contribute to the ARP on behalf of employees that would otherwise have been enrolled in PERS.

The employer contribution amount is subject to actuarial review every third year to determine if the rate needs to be adjusted to mitigate any negative financial impact that the loss of contributions may have on STRS and PERS. The Board of Trustees of each public institution of higher education may also make additional payments to the ARP based on the gross salaries of employees multiplied by a percentage the respective Board of Trustees approves.

The ARP provides full and immediate vesting of all contributions made on behalf of participants. The contributions are directed to one of the eight investment management companies as chosen by the participants. The ARP does not provide disability benefits, annual cost-of-living adjustments, postretirement health care benefits, or death benefits. Benefits are entirely dependent on the sum of the contributions and related investment income generated by each participant's choice of investment options.

Employer and employee contributions required and paid for the year ended June 30, 2001 totaled $48.1 million and $35.5 million, respectively.

NOTE 10 GENERAL OBLIGATION BONDS

The State has pledged its full faith and credit for the payment of principal and interest on general obligation bonds accounted for and included with obligations in the General Long-Term Obligations Account Group.

At various times since 1921, Ohio voters, by 17 constitutional amendments (the last adopted in November 2000 for land conservation purposes), have authorized the incurrence of general obligation debt for the construction and improvement of common school and higher education facilities, highways, local infrastructure improvements, research and development of coal technology, and natural resources. In practice, general obligation bonds are retired over periods of 10 to 25 years.

A 1999 constitutional amendment provided for the issuance of Common Schools Capital Facilities Bonds and Higher Education Capital Facilities Bonds. As of June 30, 2001, the General Assembly had authorized the issuance of $1.25 billion in Common Schools Capital Facilities Bonds, of which $340 million had been issued and $313.2 million was outstanding. As of June 30, 2001, the General Assembly had also authorized the issuance of $1.21 billion in Higher Education Capital Facilities Bonds, of which $450 million had been issued and $427.7 million was outstanding.

Through approval of the November 1995 amendment, voters authorized the issuance of Highway Capital Improvements Bonds in amounts up to $220 million in any fiscal year (plus any prior fiscal years' principal amounts not issued under the new authorization), with no more than $1.2 billion outstanding at any time. As of June 30, 2001, the General Assembly had authorized the issuance of approximately $1.1 billion in Highway Capital Improvements Bonds, of which $1.0 billion had been issued and $802.5 million was outstanding.

A 1987 constitutional amendment provided for the issuance of $1.2 billion of general obligation bonds for infrastructure improvements (Infrastructure Bonds), of which no more than $120 million may be issued in any calendar year. As of June 30, 2001, the General Assembly had authorized $1.2 billion of these bonds to be sold, of which approximately $1.2 billion had been issued and $874.1 million (net of unaccreted discount of $105.5 million on deep-discount bonds issued) was outstanding. In November 1995, voters approved another constitutional amendment that provided for the issuance of an additional $1.2 billion of Infrastructure Bonds, of which no more than $120 million (plus any prior years' principal amounts not issued under the new authorization) may be sold in any state fiscal year. As of June 30, 2001, the General Assembly had authorized $600 million in Infrastructure Bonds to be issued under the provisions of the 1995 constitutional amendment, of which $360 million had been issued and $334.8 million was outstanding.

A 1968 constitutional amendment authorized the issuance of Highway Obligations in amounts up to $100 million in any calendar year, with no more than $500 million in principal amount outstanding at any one time. The aggregate of General Assembly authorizations, as of June 30, 2001, for Highway

NOTE 10 GENERAL OBLIGATION BONDS (Continued)

Obligations, was approximately $1.75 billion, all of which had been issued and $130.5 million was outstanding.

Coal Research and Development Bonds and Parks, Recreation, and Natural Resources Bonds may be issued as long as the outstanding principal amounts do not exceed $100 and $200 million, respectively. As of June 30, 2001, the General Assembly had authorized the issuance of $150 million in Coal Research and Development Bonds, of which $107 million had been issued and $25.4 million was outstanding. Legislative authorizations for the issuance of Natural Resources Bonds totaled $272 million, as of June 30, 2001, of which $160 million had been issued and $125.8 million was outstanding.

General obligation bonds outstanding and bonds authorized but unissued, as of June 30, 2001, are presented in the table below.

For the year ended June 30, 2001, NOTE 15 summarizes changes in general obligation bonds reported in the General Long-Term Obligations Account Group.

Future general obligation debt service requirements, as of June 30, 2001, are as follows (dollars in thousands):

Year Ending June 30,	Principal	Interest	Total
2002.....	$ 279,100	$ 141,082	$ 420,182
2003.....	282,915	127,860	410,775
2004.....	274,610	115,565	390,175
2005.....	244,330	103,657	347,987
2006.....	231,580	93,047	324,627
Thereafter.	1,827,010	470,859	2,297,869
	3,139,545	1,052,070	4,191,615
Unaccreted Discount....	(105,508)	—	(105,508)
Total.....	$3,034,037	$1,052,070	$4,086,107

In prior years, the Treasurer of State defeased certain Infrastructure Improvement Bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. As of June 30, 2001, $62.9 million of Infrastructure Improvement Bonds are considered defeased and no longer outstanding.

Primary Government
General Obligation Bonds
As of June 30, 2001
(dollars in thousands)

Description of General Obligation Bond	Fiscal Years Issued	Average Net Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Common Schools Capital Facilities.....	2000-01	4.5%-5.4%	2020	$ 313,195	$ 910,000
Higher Education Capital Facilities.....	2000-01	4.8%-5.4%	2021	427,680	761,310
Highway Capital Improvements.....	1997-01	4.1%-5.0%	2011	802,500	92,500
Infrastructure Improvements.....	1990-01	4.2%-7.6%*	2020	1,208,952	240,014
Highway Obligations.....	1993-97	4.5%-4.8%	2005	130,500	—
Coal Research and Development.....	1992-00	4.5%-5.6%	2010	25,400	43,000
Natural Resources.....	1995-00	4.5%-5.6%	2015	125,810	112,000
Total General Obligation Bonds.....				$3,034,037	$2,158,824

*Coupon rates

NOTE 11 REVENUE BONDS AND NOTES

The State Constitution permits state agencies and authorities to issue bonds that are not supported by the full faith and credit of the State. These bonds pledge income derived from user fees and rentals on the acquired or constructed assets to pay the debt service. Issuers for the primary government include the Ohio Building Authority (OBA), which has issued revenue bonds on its own behalf and for the Ohio Bureau of Workers' Compensation, the Treasurer of State for the Ohio Department of Development's

NOTE 11 REVENUE BONDS AND NOTES (Continued)

Office of Business Development, and the Department of Transportation. Major issuers for the State's component units include the Ohio Water Development Authority, the Ohio State University, the University of Cincinnati, and Kent State University.

A. Primary Government

Revenue bonds accounted for in the Enterprise Fund finance the costs of the William Green Building, which houses the main operations of the Ohio Bureau of Workers' Compensation in Columbus.

OBA revenue bonds reported in the Internal Service Fund finance the costs of office buildings and related facilities for shared use by local governments. The principal and interest requirements on these bonds are paid from rentals received under the long-term lease agreements discussed in NOTE 6.

Economic development bonds, issued by the Treasurer of State for the Office of Business Development's Direct Loan Program, provide financing for loans and loan guarantees to businesses within the State for economic development projects that create or retain jobs in the State. The taxable bonds are backed with profits derived from the sale of spirituous liquor by the Division of Liquor Control and pledged moneys and related investment earnings held in reserve under a trust agreement with a financial institution.

As of June 30, 2001, approximately $149.8 million in economic development bonds payable from liquor profits were outstanding.

In fiscal years 1998 and 2000, the Treasurer of State issued a total of $90 million in State Infrastructure Bank Bonds for the Department of Transportation, of which $69 million was outstanding, as of June 30, 2001. The bonds finance construction costs of the Spring-Sandusky Highway Project in Columbus. The State has pledged federal highway receipts as the primary source of moneys for meeting the principal and interest requirements on the bonds.

Revenue bonds outstanding for the primary government, as of June 30, 2001, are presented in the table below.

For the year ended June 30, 2001, NOTE 15 summarizes changes in revenue bonds reported in the General Long-Term Obligations Account Group.

Future bond service requirements for revenue bonds of the primary government, as of June 30, 2001, are as follows (dollars in thousands):

	Enterprise Fund		
Year Ending June 30,	Principal	Interest	Total
2002	$ 9,000	$ 8,571	$ 17,571
2003	10,000	8,175	18,175
2004	11,000	7,734	18,734
2005	12,000	7,240	19,240
2006	13,000	6,688	19,688
Thereafter	124,255	27,390	151,645
	179,255	65,798	245,053
Unamortized Discount	(1,783)	—	(1,783)
Total	$177,472	$65,798	$243,270

Primary Government
Revenue Bonds
As of June 30, 2001
(dollars in thousands)

Description of Revenue Bond	Fiscal Year Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
Enterprise:				
Ohio Building Authority/ Bureau of Workers' Compensation	1994	3.3%-5.1%	2014	$177,472
Internal Service:				
Ohio Building Authority	1986-97	4.5%-9.8%	2008	25,646
General Long-Term Obligations:				
Treasurer of State:				
Economic Development	1997	6.6%-7.7%	2022	149,820
State Infrastructure Bank	1998-00	4.3%-5.0%	2009	69,080
Total General Long-Term Obligations				218,900
Total Revenue Bonds				$422,018

NOTE 11 REVENUE BONDS AND NOTES (Continued)

Year Ending June 30,	Internal Service Fund Principal	Interest	Total
2002	$ 3,359	$1,565	$ 4,924
2003	3,531	1,394	4,925
2004	3,730	1,196	4,926
2005	3,888	2,446	6,334
2006	4,320	2,079	6,399
Thereafter	7,146	433	7,579
	25,974	9,113	35,087
Unamortized Discount	(328)	—	(328)
Total	$25,646	$9,113	$34,759

Year Ending June 30,	General Long-Term Obligations Account Group Principal	Interest	Total
2002	$ 13,250	$ 14,294	$ 27,544
2003	14,005	13,538	27,543
2004	14,790	12,735	27,525
2005	15,655	11,874	27,529
2006	17,590	10,953	28,543
Thereafter	143,610	84,133	227,743
Total	$218,900	$147,527	$366,427

In December 1998, the Treasurer of State entered into a forward purchase refunding agreement to advance refund approximately $102 million in Series 1996 Taxable Development Assistance Bonds on October 1, 2006. Under the terms of the bond purchase agreement, the underwriter has agreed to purchase approximately $102 million in Series 1998 Taxable Development Assistance Refunding Bonds and deliver to the escrow agent on or before August 25, 2006 cash and/or direct U.S. government obligations sufficient to provide for the redemption of the refunded bonds on October 1, 2006. Because the State has not taken delivery of the proceeds from the issuance of the Series 1998 Taxable Development Assistance Refunding Bonds, as of June 30, 2001, no obligation for the refunding bonds has been included in the General Long-Term Obligations Account Group.

B. Component Units

Ohio Water Development Authority (OWDA) bonds and notes provide financing to local government authorities (LGA) in the State of Ohio for the acquisition, construction, maintenance, repair, and operation of water development projects and solid waste projects, including the construction of sewage and related water treatment facilities. The principal and interest requirements on OWDA obligations are generally paid from investment earnings, federal funds and/or repayments of loan principal and interest thereon from the LGAs.

A portion of OWDA's outstanding bonds has been issued for the Water Pollution Control Loan Program, which provides low-cost financing to LGAs for the construction of wastewater treatment facilities. In the event pledged program revenues, which consist of interest payments from the LGAs as reimbursement for construction costs, are not sufficient to meet debt service requirements for the bonds, the General Assembly may appropriate moneys for the full replenishment of a bond reserve. As of December 31, 2000, approximately $593 million in bonds were outstanding for this program.

Future bond service requirements for the Water Pollution Control Loan Program revenue bonds, as of December 31, 2000, are as follows (dollars in thousands):

Year Ending December 31,	Principal	Interest	Total
2001	$ 25,200	$ 31,245	$ 56,445
2002	30,440	29,904	60,344
2003	31,950	28,252	60,202
2004	33,175	26,441	59,616
2005	34,405	24,554	58,959
Thereafter	436,160	139,639	575,799
	591,330	280,035	871,365
Net Unamortized Premium	1,708	—	1,708
Total	$593,038	$280,035	$873,073

Generally, bonds and notes issued by the state universities and state community colleges are payable from the institutions' available receipts, including student fees, rental income, and gifts and donations, as may be provided for in the respective bond proceedings, for the construction of residence educational facilities and auxiliary facilities such as dining halls, hospitals, parking facilities, bookstores, and athletic facilities.

Except as previously discussed with respect to OWDA's Water Pollution Control Loan Program bonds, the State is not obligated in any manner for the debt of its component units.

Future bond service requirements for revenue bonds and notes reported in the component unit funds, as of June 30, 2001, are presented in the table on the following page.

NOTE 11 REVENUE BONDS AND NOTES (Continued)

Component Units
Future Funding Requirements for Revenue Bonds
As of June 30, 2001
(dollars in thousands)

Year Ending December 31 or June 30,	Ohio Water Development Authority (12/31/00)			Ohio State University			University of Cincinnati		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2001	$ 100,970	$ 72,903	$ 173,873						
2002	104,495	68,537	173,032	$ 94,596	$ 14,941	$ 109,537	$ 66,816	$ 22,810	$ 89,626
2003	96,575	63,678	160,253	9,246	13,082	22,328	14,230	19,217	33,447
2004	97,285	58,668	155,953	9,518	12,059	21,577	13,136	18,561	31,697
2005	96,865	53,600	150,465	10,020	11,051	21,071	14,921	17,925	32,846
2006	—	—	—	8,623	10,086	18,709	17,031	17,157	34,188
Thereafter	922,455	298,426	1,220,881	263,147	85,349	348,496	308,550	179,302	487,852
	1,418,645	615,812	2,034,457	395,150	146,568	541,718	434,684	274,972	709,656
Net Unamortized Premium/(Discount)	(16,437)	—	(16,437)	—	—	—	—	—	—
Unamortized Loss	(4,066)	—	(4,066)	—	—	—	—	—	—
Total	$1,398,142	$615,812	$2,013,954	$395,150	$146,568	$541,718	$434,684	$274,972	$709,656

Year Ending December 31 or June 30,	Kent State University			Other Component Units			Total Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2001							$ 100,970	$ 72,903	$ 173,873
2002	$ 2,420	$ 11,160	$ 13,580	$ 32,740	$ 30,260	$ 63,000	301,067	147,708	448,775
2003	3,980	11,047	15,027	29,282	28,763	58,045	153,313	135,787	289,100
2004	1,815	10,927	12,742	31,304	27,369	58,673	153,058	127,584	280,642
2005	1,860	10,841	12,701	29,778	25,902	55,680	153,444	119,319	272,763
2006	1,715	10,751	12,466	27,727	24,434	52,161	55,096	62,428	117,524
Thereafter	209,000	164,941	373,941	452,132	225,219	677,351	2,155,284	953,237	3,108,521
	220,790	219,667	440,457	602,963	361,947	964,910	3,072,232	1,618,966	4,691,198
Net Unamortized Premium/(Discount)	—	—	—	1,378	—	1,378	(15,059)	—	(15,059)
Unamortized Loss	—	—	—	—	—	—	(4,066)	—	(4,066)
Total	$220,790	$219,667	$440,457	$604,341	$361,947	$966,288	$3,053,107	$1,618,966	$4,672,073

NOTE 12 SPECIAL OBLIGATION BONDS

The Ohio Building Authority (OBA) and the Treasurer of State issue special obligation bonds reported in the General Long-Term Obligations Account Group.

OBA bonds finance the capital costs of categories of facilities including correctional facilities and office buildings for state departments and agencies and, in some cases, related facilities for local governments.

Under the authority of Chapter 154, Ohio Revised Code, the Treasurer of State is the issuer of special obligation bonds that finance the cost of capital facilities for state-supported institutions of higher education, mental health and retardation institutions, and parks and recreation. Prior to September 14, 2000, when House Bill 640 became effective and reassigned the issuing authority for these obligations to the Treasurer of State, the Ohio Public Facilities Commission issued the Chapter 154 bonds.

Elementary and Secondary Education Bonds, which the Treasurer of State issued for the Department of Education, finance the construction costs of capital facilities for local school districts.

The State reports OBA bonds issued for capital projects that benefit state agencies as special obligation bonds, while OBA bonds issued to finance the costs of local government facilities are reported as revenue bonds (See NOTE 11).

Pledges of lease rental payments from appropriations made to the General Fund and the Highway Safety and Highway Operating Special Revenue funds, moneys held by trustees pursuant to related

NOTE 12 SPECIAL OBLIGATION BONDS (Continued)

trust agreements, and other receipts, as required by the respective bond documents, secure the special obligation bonds.

Special obligation bonds outstanding and bonds authorized but unissued, as of June 30, 2001, are presented in the table below.

For the year ended June 30, 2001, NOTE 15 summarizes changes in special obligation bonds reported in the General Long-Term Obligations Account Group.

Future special obligation debt service requirements, as of June 30, 2001, are as follows (dollars in thousands):

Year Ending June 30,	Principal	Interest	Total
2002	$ 469,186	$ 233,652	$ 702,838
2003	459,419	209,702	669,121
2004	457,885	187,000	644,885
2005	435,672	172,534	608,206
2006	424,979	149,961	574,940
Thereafter	2,496,914	553,493	3,050,407
Total	$4,744,055	$1,506,342	$6,250,397

In April 2001, the Treasurer issued $472.4 million in special obligations to advance refund $471.8 million in outstanding Chapter 154 bonds. From the net proceeds of $504.8 million of the advance refunding, approximately $500 million was deposited in an irrevocable trust to provide for all future debt service payments on the refunded bonds. The Treasurer advance refunded the bonds to reduce total debt service payments by $12.2 million and to obtain an economic gain of $14.5 million.

In prior years, the OBA and the Treasurer of State defeased certain bond issues by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the various trust accounts' assets and liabilities for the defeased bonds are not included in the State's financial statements. As of June 30, 2001, $637.3 million of special obligation bonds are considered defeased and no longer outstanding.

Primary Government
Special Obligation Bonds
As of June 30, 2001
(dollars in thousands)

Issuer	Fiscal Years Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance	Authorized But Unissued
Ohio Building Authority	1986-01	3.1%-9.8%	2021	$2,436,380	$685,910
Treasurer of State:					
Chapter 154 Bonds:					
Higher Education Facilities	1992-01	4.3%-6.1%*	2014	1,732,395	—
Mental Health Facilities	1992-01	4.1%-6.0%*	2015	280,400	133,915
Parks and Recreation Facilities	1993-01	4.0%-5.5%*	2016	100,235	51,100
Elementary and Secondary Education	1996-99	3.7%-5.8%	2008	194,645	—
Total Special Obligation Bonds				$4,744,055	$870,925

*Average effective interest rates

NOTE 13 CERTIFICATES OF PARTICIPATION

As of June 30, 2001, approximately $12.3 million in certificate of participation (COP) obligations were reported in the General Long-Term Obligations Account Group.

In fiscal year 1992, the Department of Transportation participated in the issuance of $8.7 million of COP obligations to finance the acquisition of the Panhandle Rail Line Project. During fiscal year 1996, the Department also participated in the issuance of $10 million in COP obligations to finance state assistance to the Greater Cleveland Regional Transit Authority for a share of the Cleveland Waterfront Transit Line Project's construction cost, and $10.2 million in obligations to provide assistance to the Rickenbacker Port Authority for facility improvements at the Rickenbacker International Airport in Franklin and Pickaway counties.

NOTE 13 CERTIFICATES OF PARTICIPATION (Continued)

Primary Government
Certificate of Participation Obligations
As of June 30, 2001
(dollars in thousands)

Project	Fiscal Year Issued	Interest Rates	Maturing Through Fiscal Year	Outstanding Balance
General Long-Term Obligations:				
Department of Transportation:				
Panhandle Rail Line Project	1992	6.2%-6.5%	2012	$ 6,245
Waterfront Transit Line Project	1996	4.7%-4.8%	2003	3,315
Rickenbacker Port Authority Improvements	1996	6.1%	2007	2,745
Total				$12,305

Under the COP financing arrangements, the State is required to make rental payments from the Transportation Certificates of Participation Debt Service Fund and the General Fund (subject to biennial appropriations) that approximate the interest and principal payments made by trustees to certificate holders.

Obligations outstanding for the primary government under COP financing arrangements, as of June 30, 2001, are presented in the table above.

For the year ended June 30, 2001, NOTE 15 summarizes changes in COP obligations reported in the General Long-Term Obligations Account Group.

As of June 30, 2001, the primary government's future commitments under the COP financing arrangements are as follows (dollars in thousands):

Year Ending June 30,	General Long-Term Obligations Account Group		
	Principal	Interest	Total
2002	$ 2,405	$ 685	$ 3,090
2003	2,530	558	3,088
2004	890	465	1,355
2005	945	408	1,353
2006	1,005	348	1,353
Thereafter	4,530	1,136	5,666
Total	$12,305	$3,600	$15,905

For the State's component units, approximately $11.1 million in COP obligations are reported in the College and University Funds. The obligations finance building construction costs at the Ohio State University and University of Cincinnati.

As of June 30, 2001, future commitments under the COP financing arrangements for the State's component units are detailed in the table below.

Component Units
Future Funding Requirements
for Certificate of Participation Obligations
As of June 30, 2001
(dollars in thousands)

Year Ending June 30,	Ohio State University			University of Cincinnati			Total Component Units		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2002	$ 870	$ 437	$ 1,307	$ 250	$ 75	$ 325	$ 1,120	$ 512	$ 1,632
2003	925	401	1,326	250	63	313	1,175	464	1,639
2004	980	361	1,341	90	51	141	1,070	412	1,482
2005	720	321	1,041	90	46	136	810	367	1,177
2006	355	293	648	90	41	131	445	334	779
Thereafter	5,825	1,911	7,736	660	146	806	6,485	2,057	8,542
Total	$9,675	$3,724	$13,399	$1,430	$ 422	$1,852	$11,105	$4,146	$15,251

NOTE 14 OTHER LONG-TERM OBLIGATIONS

As of June 30, 2001, other general long-term obligations of the State reported in the General Long-Term Obligations Account Group are as follows (dollars in thousands):

Compensated Absences (A.)	$332,413
Lease Agreements (B.)	4,721
Judgments, Settlements, and Claims (C.)	65,347
Litigation Liabilities (C.)	20,000
Workers' Compensation Obligation (D.)	559,300
Total Other General Long-Term Obligations	$981,781

For the year ended June 30, 2001, NOTE 15 summarizes the changes in other general long-term obligations reported in the General Long-Term Obligations Account Group.

A. Compensated Absences

To lessen the impact of terminal leave pay on a given state agency's budget, an accrued leave funding program was instituted by law in 1982. State agencies must contribute a percentage of their gross payroll to a common pool of resources from which terminal leave expenditures/expenses are paid. The amount of cash equity with Treasurer and related interest receivable available to satisfy terminal pay claims at June 30, 2001 was approximately $24.7 million. These and related assets are reported as part of the Payroll Withholding and Fringe Benefits Agency Fund.

The compensated absence liability for the primary government's proprietary funds is reported net of the funds' portion of accrued leave funding and is included in "Accrued Liabilities." The compensated absence liability for the primary government's governmental funds is also reported net of the funds' portion of the accrued leave funding and is reported as part of the General Long-Term Obligations Account Group.

For the primary government, the gross compensated absences liability, as of June 30, 2001, was $395 million, of which $40.4 million is allocable to the proprietary funds and $354.6 million is allocable to the General Long-Term Obligations Account Group. The net (after reduction of the $24.7 million) compensated absence liability, as of June 30, 2001, was $370.3 million, of which $37.9 million is reported in the proprietary funds and $332.4 million is reported in the General Long-Term Obligations Account Group.

For the State's component units, the compensated absences liability, as of June 30, 2001, in the amount of $212.7 million is included in "Accrued Liabilities."

B. Lease Agreements

The State's primary government leases office buildings and office and computer equipment. Although the lease terms vary, most leases are renewable subject to biennial appropriations by the General Assembly. If the likelihood of the exercise of a fiscal funding clause in the lease agreement is, in the management's judgment, remote, then the lease is considered noncancelable for financial reporting purposes and is reported as a fund expenditure/expense for operating leases or in the General Long-Term Obligations Account Group or appropriate proprietary fund type for capital leases.

Assets acquired through capital leasing are valued at the lower of fair value or the present value of the future minimum lease payments at the lease's inception. The noncurrent portion of capital lease obligations for the proprietary fund types are reported in those funds as long-term obligations. The related assets and depreciation of these assets are included in the proprietary funds. Capital lease obligations for the governmental fund types are reported in the General Long-Term Obligations Account Group and the related assets are reported in the General Fixed Assets Account Group.

Operating leases (leases on assets not recorded in the combined balance sheet) contain various renewal options as well as some purchase options.

Any escalation clauses, sublease rentals, and contingent rents are considered immaterial to the future minimum lease payments and current rental expenditures. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred.

The primary government's total operating lease expenditures/expenses for fiscal year 2001 were approximately $92.5 million.

Future minimum lease commitments for operating leases and capital leases judged to be noncancelable, as of June 30, 2001, are as follows (dollars in thousands):

Primary Government

Year Ending June 30,	Operating Leases
2002	$6,222
2003	3,091
2004	106
Total minimum lease payments	$9,419

NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

Year Ending June 30,	Capital Leases: Enterprise Funds	Capital Leases: General Long-Term Obligations	Capital Leases: Total
2002	$191	$2,145	$2,336
2003	15	1,631	1,646
2004	—	871	871
2005	—	396	396
2006	—	120	120
Thereafter	—	101	101
Total minimum lease payments	206	5,264	5,470
Amount representing interest	(7)	(543)	(550)
Present value of net minimum lease payments	$199	$4,721	$4,920

As of June 30, 2001, the primary government had the following fixed assets (net of accumulated depreciation for proprietary funds) under capital leases, which are reported under "Accrued Liabilities" in the proprietary funds (dollars in thousands):

Primary Government

	Enterprise Fund	General Fixed Assets	Total
Equipment	$177	$8,565	$8,742
Vehicles	—	112	112
Total	$177	$8,677	$8,854

Amortization expense for the proprietary funds is included with depreciation expense.

For the component units, capital lease obligations are included under the "Accrued Liabilities" account. Future minimum lease commitments for capital leases judged to be noncancelable and fixed assets under capital leases for the component unit funds, as of June 30, 2001, are presented in the table below.

C. Judgments, Settlements, and Claims/Litigation Liabilities

The Ohio Department of Education has been involved with several school desegregation court cases filed against the State by various local boards of education. In cases when the judgment went against the State, the courts decided the State was responsible for sharing in all past and future desegregation costs. As of June 30, 2001, the State was responsible for an estimated $32.5 million liability for past desegregation costs, which is recorded in the General Long-Term Obligations Account Group until such time that it becomes payable from the General Fund.

Component Units
Future Funding Requirements for Capital Lease Obligations and Fixed Assets Acquired Under Capital Leases
As of June 30, 2001
(dollars in thousands)

Year Ending June 30,	Ohio State University	University of Cincinnati	Kent State University	Other Component Units	Total Component Units
2002	$ 2,995	$ 10,151	$ 2,233	$12,725	$ 28,104
2003	2,995	10,140	2,029	6,484	21,648
2004	1,192	11,047	1,843	3,866	17,948
2005	530	11,046	1,650	2,381	15,607
2006	386	11,198	1,632	1,580	14,796
Thereafter	480	188,276	7,637	2,556	198,949
Total Minimum Lease Payments	8,578	241,858	17,024	29,592	297,052
Amount Representing Interest	(766)	(100,606)	(3,407)	(3,592)	(108,371)
Present Value of Net Minimum Lease Payments	$ 7,812	$141,252	$13,617	$26,000	$188,681
Land	$ —	$ —	$ —	$ 208	$ 208
Buildings	—	111,331	—	7,009	118,340
Land Improvements	—	—	—	11,808	11,808
Equipment	14,822	—	14,984	33,316	63,122
Vehicles	—	—	—	692	692
Total	$14,822	$111,331	$14,984	$53,033	$194,170

NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

Additionally, the State has accrued $26.4 million and $6.4 million for potential refunds and other claims, respectively.

For information on the State's loss contingencies arising from pending litigation, see NOTE 22.

D. Workers' Compensation Obligation

The State's primary government is permitted to pay its workers' compensation liability on a terminal-funding (pay-as-you-go) basis. As a result, the Workers' Compensation Enterprise Fund recognized an unbilled premium receivable of $559.3 million for the State's portion of its actuarially determined liability for compensation. The State records all of this liability in the General Long-Term Obligations Account Group, since the current portion of the liability is not measurable.

E. Liabilities Payable from Restricted Assets

Deferred Prize Awards

Deferred prize awards payable in installments over future years totaling approximately $1.07 billion, as of June 30, 2001, are recorded as "Liabilities Payable from Restricted Assets" at present value based upon interest rates the Treasurer of State provides the Ohio Lottery Commission Enterprise Fund. The interest rates, ranging from 4.0 to 11.7 percent, represent the expected long-term rate of return on the assets restricted for the payment of deferred prize awards. Once established for a particular deferred prize award, the interest rate does not fluctuate with changes in the expected long-term rate of return. The difference between the present value and gross amount of the obligations is amortized into income over the terms of the obligations using the interest method.

The present value of future payments of unpaid prize awards, as of June 30, 2001, is as follows (dollars in thousands):

Year Ending June 30,	
2002	$ 151,125
2003	145,209
2004	142,126
2005	136,015
2006	126,637
Thereafter	1,017,482
	1,718,594
Unamortized Discount	(650,649)
Net Prize Liability	$1,067,945

The State reduces prize liabilities by an estimate of the amount of prizes that will ultimately be unclaimed.

In May 1999, the Lottery Commission adopted an administrative rule, which allowed winners of annuity prizes the option to cash out their remaining deferred prize payments at a discounted lump-sum amount. This rule, which was in effect from July 1, 1999 through December 31, 2000, was a response to a temporary change in the Internal Revenue Code to allow discounted lump-sum cash payments to be made to certain annuity prizewinners without the constraints of "constructive receipt." This option, which provided an alternative for annuity winners who did not have a cash option at the time they won or experienced a changed circumstance from the time they elected the annuity option, resulted in a gain from the early extinguishment of the deferred prize awards liability in the amount of $3.3 million for 2001.

Tuition Benefits

The actuarial present value of future tuition benefits payable from the Tuition Trust Authority Enterprise Fund totaling $486.8 million, as of June 30, 2001, are recorded as "Liabilities Payable from Restricted Assets." The valuation method reflects the present value of estimated tuition benefits that will be paid in future years and is adjusted for the effects of projected tuition increases at state universities and state community colleges and termination of plan participation.

The following assumptions were used in the actuarial determination of tuition benefits payable: 7.5 percent rate of return, compounded annually, on the investment of current and future assets; a projected annual tuition increase of 8.20 percent for the next four years and 5.75 percent annually thereafter; and a 2.5 percent Consumer Price Index (CPI) inflation rate. The projected tuition growth rates represent a change in the assumption for annual tuition growth from the constant annual 6.0 percent growth rate assumption previously applied. The 5.75 percent assumption for 2006 and later years approximates the average real increase in tuition annually from 1975 through 2005 (adjusted for inflation) assuming 8.2 percent increases in tuition annually from 2002 through 2005 combined with the actuary's 2.5 percent assumption for future inflation.

NOTE 14 OTHER LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2001, the actuarial value of net assets available for payment of the tuitions benefits payable was $555.4 million. In determining the actuarial value of net assets available, the Authority has applied the smoothed methodology. This methodology recognizes annually one-third of the difference between assets at fair value and the expected assets based on the actuarial investment return assumption. Consequently, the assets used to determine the program's surplus are not the same as the market or cost value of the program's assets reported in the Authority's financial statements.

F. Reserve for Compensation

The Workers' Compensation Enterprise Fund provides benefits to employees for losses sustained from job-related injury, disease, or death. The Bureau has computed a reserve for compensation, as of June 30, 2001, in the amount of $12.5 billion. The reserve, which includes estimates for reported claims and claims incurred but not reported, is included in the "Benefits Payable" balance reported for the Enterprise Fund. NOTE 23A describes the changes in this liability.

NOTE 15 CHANGES IN GENERAL LONG-TERM OBLIGATIONS

Changes in general long-term obligations, for the year ended June 30, 2001, are presented in the following table.

Fiscal year 2001 additions to the general obligation bonds and special obligation bonds do not include premiums/(discounts) and bond issuance costs totaling $62.9 million. These costs came to approximately $22.4 million and $40.5 million, respectively for each type of bond issuance, and are netted with bond proceeds reported on the governmental funds' combined operating statement.

Primary Government
Changes in Other General Long-Term Obligations
For the Fiscal Year Ended June 30, 2001
(dollars in thousands)

	General Obligation Bonds (NOTE 10)	Revenue Bonds (NOTE 11)	Special Obligation Bonds (NOTE 12)	Certificates of Participation (NOTE 13)	Other General Long-Term Obligations (NOTE 14)	Total
Balance, as of June 30, 2000	$2,461,673	$232,785	$4,973,657	$14,590	$978,159	$8,660,864
Additions:						
Debt Issues	820,000	—	729,090	—	—	1,549,090
Deep-Discount Accretions	15,014	—	120	—	—	15,134
Increase in Compensated Absences	—	—	—	—	836	836
Increase in Lease Obligations	—	—	—	—	543	543
Increase in Workers' Compensation Obligation	—	—	—	—	11,000	11,000
Increase in Judgments, Settlements, and Claims	—	—	—	—	33,752	33,752
Increase in Litigation Liabilities	—	—	—	—	11,000	11,000
Total Additions	835,014	—	729,210	—	57,131	1,621,355
Deductions:						
Debt Retirements, Terminations, and Defeasances	262,650	13,885	958,812	2,285	—	1,237,632
Decrease in Lease Obligations	—	—	—	—	2,012	2,012
Decrease in Judgments, Settlements, and Claims	—	—	—	—	33,497	33,497
Decrease in Litigation Liabilities	—	—	—	—	18,000	18,000
Total Deductions	262,650	13,885	958,812	2,285	53,509	1,291,141
Balance, as of June 30, 2001	$3,034,037	$218,900	$4,744,055	$12,305	$981,781	$8,991,078

NOTE 16 NO COMMITMENT DEBT

The State of Ohio by action of the General Assembly created various financing authorities for the expressed purpose of making available to non-profit and, in some cases, for profit private entities lower cost sources of capital financing for facilities and projects found to be for a public purpose. Fees are assessed to recover related processing and application costs incurred.

The authorities' debt instruments represent limited obligations payable solely from payments made by the borrowing entities. Most of the bonds are secured by the property financed. Upon repayment of the bonds, ownership of acquired property transfers to the entity served by the bond issuance. This debt is not deemed to constitute debt of the State or pledge of the faith and credit of the State. Accordingly, these bonds are not reflected in the accompanying financial statements.

As of June 30, 2001, revenue bonds and notes outstanding that represent "no commitment" debt for the State are as follows (dollars in thousands):

Organization	Outstanding Amount
Ohio Department of Development:	
Ohio Housing Finance Agency	$2,300,618
Ohio Enterprise Bond Program.....	95,463
Hospital Facilities Bonds.....	9,130
Total No Commitment Debt	$2,405,211

NOTE 17 ENTERPRISE FUNDS — SEGMENT INFORMATION

The primary government has six enterprise funds, which provide for the tuition guarantee program, liquor sales, lottery sales, workers' compensation insurance services, underground state parking facilities, and government audit and management advisory services.

Segment information, as of and for the fiscal year ended June 30, 2001, is as follows.

Primary Government
Segment Information for the Enterprise Funds
As of and for the Fiscal Year Ended June 30, 2001
(dollars in thousands)

	Tuition Trust Authority	Liquor Control	Ohio Lottery Commission	Workers' Compensation	Underground Parking Garage	Office of Auditor of State	Total Enterprise Funds
Operating Revenues.....	$ 77,453	$454,268	$2,100,081	$ 2,549,227	$ 2,633	$ 38,302	$ 5,221,964
Depreciation.....	77	653	10,023	13,685	423	3,457	28,318
Amortization of Premiums....	—	—	81,174	317	—	—	81,491
Operating Income (Loss)	(52,539)	126,532	658,917	(1,925,039)	261	(33,049)	(1,224,917)
Operating Transfers-in.....	—	—	—	—	—	36,715	36,715
Operating Transfers-out.....	—	121,261	637,036	6,795	773	—	765,865
Net Income (Loss).....	(52,539)	5,316	24,821	(1,933,304)	(339)	2,685	(1,953,360)
Fixed Asset Additions	11	624	1,288	3,344	452	4,565	10,284
Fixed Asset Disposals.....	—	602	58,000	7,880	—	2,597	69,079
Net Working Capital.....	37,138	19,806	62,716	(155,251)	1,929	17,898	(15,764)
Increase (Decrease) in Cash & Cash Equivalents .	228	2,350	(43,613)	(47,891)	(246)	1,272	(87,900)
Total Assets.....	552,504	49,980	1,759,337	22,958,751	10,167	29,228	25,359,967
Liabilities Payable from Restricted Assets.....	486,800	—	1,576,196	—	—	—	2,062,996
Bonds and Other Non-current Liabilities Payable from Operating Revenues.	—	2,400	2,301	12,693,347	113	6,227	12,704,388
Total Equity.....	56,240	19,866	131,606	4,516,018	8,955	19,439	4,752,124

NOTE 18 CHANGES IN CONTRIBUTED CAPITAL

For the fiscal year ended June 30, 2001, changes in contributed capital reported in the primary government's proprietary funds are as follows (dollars in thousands):

	Enterprise Fund	Internal Service Fund				
	Underground Parking Garage	Information Technology	Ohio Penal Industries	Support Services	Total Internal Service Fund	Total Proprietary Funds
Contributed Capital Balance, July 1, 2000	$411	$53,696	$1,762	$5,562	$61,020	$61,431
Additions:						
Transfer of Fixed Assets from the General Fixed Assets Account Group	—	44	—	—	44	44
Capital Contribution from the Administrative Services Building Improvements Capital Projects Fund (Reported as Residual Equity Transfer-out)	—	2,168	—	—	2,168	2,168
Total Additions	—	2,212	—	—	2,212	2,212
Contributed Capital Balance, June 30, 2001	$411	$55,908	$1,762	$5,562	$63,232	$63,643

NOTE 19 FUND EQUITY

A. Other Reserves and Designations

Details on the "Reserved for Other" account reported for the governmental and expendable trust funds and the "Restricted Fund Balances" account reported for the component unit funds, as of June 30, 2001, are presented in the table below and on the following page.

Primary Government
Reserved for Other Fund Balance
As of June 30, 2001
(dollars in thousands)

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	Total
Human Services Stabilization	$100,000	$ —	$ —	$ —	$ —	$100,000
Department of Development's Office of Minority Financial Incentives — Mini-Loan Program Deposits	417	—	—	—	—	417
Assets in Excess of Debt Service Requirements	—	—	837	—	—	837
Inventories	770	30,368	—	—	—	31,138
Advances to Other Funds	—	20,000	—	—	190,858	210,858
Other Assets — Prepaids	243	225	—	—	—	468
Ohio Enterprise Bond Program	—	10,000	—	—	—	10,000
Loan Commitments	—	77,761	—	521	—	78,282
Advances to Local Governments	8,257	—	—	—	—	8,257
State and Local Highway Construction	—	123,816	—	—	—	123,816
Special Purpose Restrictions:						
Public Assistance and Medicaid	—	84,629	—	—	—	84,629
Health and Human Services	—	10,255	—	—	—	10,255
Justice and Public Protection	—	8,706	—	—	—	8,706
Environmental Protection and Natural Resources	—	3,320	—	—	—	3,320
Community and Economic Development	—	1,615	—	—	—	1,615
Total Reserved for Other	$109,687	$370,695	$837	$521	$190,858	$672,598

NOTE 19 FUND EQUITY (Continued)

Component Units
Restricted Fund Balance
As of June 30, 2001
(dollars in thousands)

	Ohio State University	University of Cincinnati	Other Component Units	Total Component Units
General Operations (includes Auxiliary Enterprises)	$ 277,323	$ 86,139	$100,721	$ 464,183
Loan Programs	66,395	32,802	113,034	212,231
Endowment and Quasi-Endowment Activities	1,027,532	1,018,106	165,952	2,211,590
Plant Operations	2,566	17,358	11,179	31,103
Annuity and Life Income	2,907	4,726	—	7,633
University Foundations	—	60,453	864	61,317
Grants and Contracts	—	—	2,876	2,876
Auxiliary Enterprises	—	—	158	158
Scholarships	—	—	152	152
Total Restricted Fund Balance	$1,376,723	$1,219,584	$394,936	$2,991,243

Retained earnings for the Enterprise Fund, as of June 30, 2001, are reserved for the payment of tuition benefits, deferred lottery prizes, and insurance claims in the amounts of $18.9 million, $66 million and $112.3 million, respectively.

As of June 30, 2001, $13.1 million of the General Fund's unreserved fund balance is designated for budget stabilization.

As of June 30, 2001, designations of unreserved fund balance for the component unit funds are presented in the table below.

B. Fund Deficits
The following funds report deficits, as of June 30, 2001 (dollars in thousands).

Higher Education Capital Facilities General Obligations Debt Service Fund	$ (473)
Infrastructure Bank Obligations Capital Projects Fund	(10,686)
Information Technology Internal Service Fund	(1,105)
School Facilities Commission Discretely Presented Component Unit	(280,625)

Component Units
Designated Fund Balance
As of June 30, 2001
(dollars in thousands)

Designated for:	Ohio University	Miami University	Other Component Units	Total Component Units
Educational and General Programs	$25,806	$ 45,314	$173,781	$244,901
Auxiliary Enterprises	2,086	874	17,761	20,721
Hospital Operations	493	—	250	743
Loan Programs	1,330	844	2,082	4,256
Endowment and Quasi-Endowment Activities	13,234	35,961	83,336	132,531
Plant Operations	52,817	31,698	53,665	138,180
Total Designated Balance	$95,766	$114,691	$330,875	$541,332

NOTE 20 COMPONENT UNIT FUNDS

Condensed financial statements for the component unit funds are as follows.

Component Units
Condensed Balance Sheet
As of June 30, 2001
(dollars in thousands)

	Ohio Water Development Authority (12/31/00)	Ohio State University	University of Cincinnati	Other Component Units	Total Component Units
Assets					
Cash Equity with Treasurer	$ 68	$ —	$ —	$ 723,211	$ 723,279
Cash and Cash Equivalents	14,659	76,373	51,399	149,209	291,640
Investments	905,569	1,602,894	848,749	1,155,471	4,512,683
Collateral on Lent Securities	—	—	—	315,784	315,784
Receivables	2,172,130	391,394	132,843	337,539	3,033,906
Due from Other Funds	185	344,801	271,725	105,842	722,553
Inventories	—	19,046	4,722	19,624	43,392
Restricted Assets	—	—	—	162,310	162,310
Fixed Assets (net of accumulated depreciation, as applicable)	564	3,100,846	1,415,351	5,401,626	9,918,387
Other Assets	17,321	37,754	680,514	50,021	785,610
Total Assets	$3,110,496	$5,573,108	$3,405,303	$8,420,637	$20,509,544
Liabilities					
Accounts Payable	$ 31,300	$ 95,469	$ 30,696	$ 101,998	$ 259,463
Accrued Liabilities	6,187	235,461	244,222	260,804	746,674
Obligations Under Securities Lending	—	—	—	315,784	315,784
Intergovernmental Payable	6,758	—	—	999,957	1,006,715
Due to Other Funds	185	344,801	271,725	105,842	722,553
Deferred Revenue	—	88,974	8,345	132,307	229,626
Refund and Other Liabilities	6,631	38,497	63,156	51,145	159,429
Revenue Bonds and Notes	1,398,142	395,150	434,684	825,131	3,053,107
Certificates of Participation	—	9,675	1,430	—	11,105
Total Liabilities	1,449,203	1,208,027	1,054,258	2,792,968	6,504,456
Fund Equity and Other Credits					
Investment in General Fixed Assets	—	2,727,901	1,088,807	4,828,707	8,645,415
Total Unreserved Retained Earnings	1,661,293	—	—	—	1,661,293
Total Fund Balance	—	1,637,180	1,262,238	798,962	3,698,380
Total Fund Equity and Other Credits	1,661,293	4,365,081	2,351,045	5,627,669	14,005,088
Total Liabilities, Fund Equity and Other Credits	$3,110,496	$5,573,108	$3,405,303	$8,420,637	$20,509,544

Colleges and Universities
Condensed Statement of Changes in Fund Balances
For the Year Ended June 30, 2001
(dollars in thousands)

	Ohio State University	University of Cincinnati	Other Colleges and Universities	Total College and University Component Units
Total Revenues and Other Additions	$ 2,057,403	$ 614,974	$ 2,782,731	$ 5,455,108
Total Expenditures and Other Deductions	(2,489,989)	(827,850)	(3,709,332)	(7,027,171)
Operating Transfers from Primary Government	515,236	245,908	1,231,707	1,992,851
Net Increase (Decrease) for the Year Before Cumulative Effect of Change in Accounting Principle	82,650	33,032	305,106	420,788
Cumulative Effect of Change in Accounting Principle	—	—	(45,770)	(45,770)
Net Increase (Decrease) for the Year	82,650	33,032	259,336	375,018
Fund Balance and Other Credits, July 1 *(as restated)*	4,282,431	2,318,013	5,648,958	12,249,402
Fund Balance and Other Credits, June 30	$ 4,365,081	$2,351,045	$5,908,294	$12,624,420

NOTE 20 COMPONENT UNIT FUNDS (Continued)

Colleges and Universities
Condensed Statement of Current Funds Revenues, Expenditures and Other Changes
For the Year Ended June 30, 2001
(dollars in thousands)

	Ohio State University	University of Cincinnati	Other Colleges and Universities	Total College and University Component Units
Total Revenues	$1,746,341	$504,866	$2,248,476	$4,499,683
Expenditures:				
Educational and General	1,370,357	603,782	2,569,433	4,543,572
Auxiliary Enterprises	150,357	66,446	415,365	632,168
Hospitals	627,970	—	158,324	786,294
Total Expenditures	2,148,684	670,228	3,143,122	5,962,034
Mandatory Transfers, Net	38,578	28,332	52,959	119,869
Total Expenditures and Mandatory Transfers	2,187,262	698,560	3,196,081	6,081,903
Other Transfers and Additions (Deductions):				
Operating Transfers from Primary Government	450,764	199,651	1,075,464	1,725,879
Nonmandatory Transfers, Net	1,823	(9,023)	(56,415)	(63,615)
Additions (Deductions)	72,377	(1,387)	15,713	86,703
Total Other Transfers and Additions (Deductions)	524,964	189,241	1,034,762	1,748,967
Net Increase (Decrease) in Fund Balances	$ 84,043	$ (4,453)	$ 87,157	$ 166,747

NOTE 21 JOINT VENTURES AND RELATED ORGANIZATIONS

A. Joint Ventures

Great Lakes Protection Fund (GLPF)
The Great Lakes Protection Fund is an Illinois nonprofit organization that was formed to further federal and state commitments to the restoration and maintenance of the Great Lakes Basin's ecosystem. The governors of seven of the eight states that border on the Great Lakes comprise the GLPF's membership. Under the GLPF's articles of incorporation, each state is required to make a financial contribution. Income earned on the contributions provides grants to projects that advance the goals of the Great Lakes Toxic Substances Control Agreement and the binational Great Lakes Quality Agreement.

Each governor nominates two individuals to the GLPF's board of directors who serve staggered two-year terms. All budgetary and financial decisions rest with the board except when restricted by the GLPF's articles of incorporation.

Annually, one-third of the GLPF's net earnings is allocated and paid to member states in proportion to their respective cash contributions to the GLPF. The allocation is based on the amount and period of time the states' contributions were invested. GLPF earnings distributions are to be used by the states to finance projects that are compatible with the GLPF's objectives. Ohio has applied its distribution (approximately $1.1 million for the year ended December 31, 2000) to the operations of its own protection program, known as the Lake Erie Protection Program, which is modeled after the GLPF.

Required contributions and contributions received from the states, which border the Great Lakes, as of December 31, 2000 (the GLPF's year end), are as follows (dollars in thousands):

	Contribution Required	Contribution Received	Contribution Percentage
Michigan	$25,000	$25,000	30.9%
Indiana*	16,000	—	—
Illinois	15,000	15,000	18.4
Ohio	14,000	14,000	17.3
New York	12,000	12,000	14.8
Wisconsin	12,000	12,000	14.8
Minnesota	1,500	1,500	1.9
Pennsylvania	1,500	1,500	1.9
Total	$97,000	$81,000	100.0%

*The State of Indiana has not yet elected to join the Great Lakes Protection Fund.

NOTE 21 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

Summary financial information for the GLPF, for the fiscal year ended December 31, 2000, is as follows (dollars in thousands):

Cash and Investments	$133,416
Other Assets	935
Total Assets	$134,351
Total Liabilities	$ 3,148
Total Fund Equity	131,203
Total Liabilities and Fund Equity	$134,351
Total Revenues and Other Additions	$ 8,148
Total Expenditures	(10,530)
Net Decrease in Fund Equity	$ (2,382)

In the event of the Fund's dissolution, the State of Ohio would receive a portion of the Fund's assets equal to the lesser of the amount of such assets multiplied by the ratio of its required contribution to the required contributions of all member states, or the amount of its required contribution.

Local Community and Technical Colleges

The State's primary government has an ongoing financial responsibility for the funding of six local community colleges and eight technical colleges. With respect to the local community colleges, State of Ohio officials appoint three members of each college's respective nine-member board of trustees; county officials appoint the remaining six members. The governing boards of the technical colleges consist of either seven or nine trustees, of whom state officials appoint two and three members, respectively; the remaining members are appointed by the local school boards located in the respective technical college district.

The Ohio General Assembly appropriates moneys to these institutions from the General Fund to subsidize operations so that higher education can become more financially accessible to Ohio residents. The primary government also provides financing for the construction of these institutions' capital facilities by meeting the debt service requirements for the Higher Education Capital Facilities general obligation bonds issued by the Ohio Public Facilities Commission (OPFC) and Higher Education Facilities special obligation bonds, previously issued by the OPFC, for these purposes.

Expenditures benefiting the local community and technical colleges are included in the "Higher Education Support" expenditures reported in the General Fund and the Higher Education Improvements Capital Projects Fund are as follows (dollars in thousands):

	General Fund	Capital Projects Fund	Total
Local Community Colleges:			
Cuyahoga Community College	$ 47,454	$ 4,682	$ 52,136
Jefferson Community College	4,069	105	4,174
Lakeland Community College	16,592	4,098	20,690
Lorain County Community College	23,112	1,536	24,648
Rio Grande Community College	4,700	888	5,588
Sinclair Community College	43,380	3,931	47,311
Total Local Community Colleges	139,307	15,240	154,547
Technical Colleges:			
Belmont Technical College	5,420	150	5,570
Central Ohio Technical College	4,620	352	4,972
Hocking Technical College	18,773	2,135	20,908
Lima Technical College	7,928	127	8,055
Marion Technical College	3,972	478	4,450
Muskingum Technical College	5,816	3,552	9,368
North Central State College	7,822	728	8,550
Stark State College of Technology	11,959	1,678	13,637
Total Technical Colleges	66,310	9,200	75,510
Total	$205,617	$24,440	$230,057

Information for obtaining complete financial statements for each of the primary government's joint ventures is available from the Ohio Office of Budget and Management.

B. Related Organizations

Officials of the State's primary government appoint a voting majority of the governing boards of the Ohio Turnpike Commission, the Petroleum Underground Storage Tank Release Compensation Board, the Ohio Air Quality Development Authority, the Higher Education Facility Commission, and the Ohio Legal Assistance Foundation. However, the primary government's accountability for these organizations does not extend beyond making the appointments.

NOTE 21 JOINT VENTURES AND RELATED ORGANIZATIONS (Continued)

During fiscal year 2001,

- The primary government distributed $2.3 million in motor vehicle fuel excise tax collections from the Special Revenue Fund to the Ohio Turnpike Commission. Also, the primary government paid the Commission approximately $2.5 million from the Special Revenue Fund to fund some of its capital project costs.

- Separate funds, established for the Petroleum Underground Storage Tank Release Compensation Board, the Ohio Air Quality Development Authority, and the Higher Education Facility Commission, were accounted for on the primary government's Central Accounting System. The primary purpose of the funds is to streamline payroll and other administrative disbursement processing for these organizations. The financial activities of the funds, which do not receive any funding support from the primary government, have been included in the Other Agency Fund.

- The Public Defender's Office compensated the Ohio Legal Assistance Foundation approximately $578 thousand from the Special Revenue Fund for administrative services performed under contract for the distribution of state funding to nonprofit legal aid societies. Also, during fiscal year 2001, the Ohio Legal Assistance Foundation received approximately $833 thousand in state assistance from the Special Revenue Fund.

NOTE 22 CONTINGENCIES AND COMMITMENTS

A. Litigation

The State, its units, and employees are parties to numerous legal proceedings, which normally occur in governmental operations.

In instances when the unfavorable outcome of pending litigation has been assessed to be probable, liabilities are recorded in the financial statements. As of June 30, 2001, $20 million in liabilities ultimately payable from various governmental funds has been recorded in the General Long-Term Obligations Account Group for this purpose.

In a September 6, 2001 opinion, the Ohio Supreme Court resolved the litigation that had long been pending in Ohio courts questioning the constitutionality of the State's system of school funding and compliance with the constitutional requirement that the State provide a "thorough and efficient system of common schools." The majority of the Court concluded that the system of school funding, as it had been modified and developed since 1991 and assuming full implementation of two modifications newly ordered by the Court, will meet constitutional requirements. (Two dissenters would find the system not yet in compliance; a third continued to conclude that compliance was a matter for the legislative branch, not the judiciary.) The two modifications directed by the Court, both of which would require action by the General Assembly, are:

- Revisions of the formula and factors involved in calculating the per student costs of providing an adequate education; the Court stated no deadline, but required that the revisions be applied retroactively to July 1, 2001 (the beginning of the current biennium). OBM estimates the additional cost of this change to the State in fiscal year 2002 could be as much as $1.24 billion. The Court has granted the State's motion for reconsideration and clarification of this ordered modification. It has also referred to a master commissioner the issues raised in that motion and any other issues the parties and the selected mediator consider appropriate issues for mediation, and stayed the cause pending completion of the settlement conferences.

- The effective date of full implementation of a parity aid program (already adopted and being phased in) is moved up by two years -- full funding to be in fiscal year 2004 rather than 2006. That program is aimed at providing poorer districts with resources similar to those available to wealthier districts.

It is not possible at this time to state what the results of referral to a master commissioner or of mediation will be, or what the Court's final action on reconsideration will be, or what or when the General Assembly's responses will be, or what effect they or any related actions may have on the State's overall financial condition (particularly in the current fiscal

NOTE 22 CONTINGENCIES AND COMMITMENTS (Continued)

biennium) or on specific State operations or functions.

As stated in the conclusion to the majority opinion:

> The state is hereby ordered to implement the changes described…. Because we have no reason to doubt [State] defendants' good faith, we have concluded there is no reason to retain jurisdiction of the matter before us. If the order receives less than full compliance, interested parties have remedies available to them.

The Court had previously set as general base threshold requirements that every school district have enough funds to operate, an ample number of teachers, sound and safe buildings, and equipment sufficient for all students to be afforded an educational opportunity.

In response to that prior litigation, the General Assembly has taken several steps, including significantly increasing State funding for public schools. In addition, at the November 1999 election, electors approved a constitutional amendment submitted by the General Assembly authorizing the issuance of State general obligation debt for school buildings and for higher education facilities. December 2000 legislation addressed certain mandated programs and reserves, characterized by the plaintiffs and the Court as "unfunded mandates."

Litigation pending in the Ohio Court of Claims contests the Ohio Department of Human Services (ODHS, now Ohio Department of Job and Family Services) former Medicaid financial eligibility rules for married couples when one spouse is living in a nursing facility and the other resides in the community. ODHS promulgated new eligibility rules effective January 1, 1996. ODHS appealed an order of the federal court directing it to provide notice to persons potentially affected by the former rules from 1990 through 1995, and the Court of Appeals ruled in favor of ODHS; plaintiff's petition for certiorari was not granted by the U.S. Supreme Court. As to the Court of Claims case, it is not possible to state the period (beyond the current fiscal year) during which necessary additional Medicaid expenditures would have to be made. Plaintiffs have estimated total additional Medicaid expenditures at $600 million for the retroactive period and, based on current law, it is estimated that the State's share of those additional expenditures would be approximately $240 million. The Court of Appeals has certified the class action and has ordered notice be sent to the members of the class. No liability has been reported in the financial statements for this matter.

All other legal proceedings are not, in the opinion of management after consultation with the Attorney General, likely to have a material adverse effect on the financial position of the State's fund types and account groups.

B. Federal Awards

The State of Ohio receives significant awards from the federal government in the form of grants and entitlements, including certain non-cash programs (which are not included in the General-Purpose Financial Statements). Receipt of grants is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of resources for eligible purposes. Substantially all grants are subject to either the Federal Single Audit or to financial compliance audits by the grantor agencies of the federal government or their designees. Disallowances and sanctions as a result of these audits may become liabilities of the applicable funds or the General Long-Term Obligations Account Group.

As a result of the fiscal year 2000 State of Ohio Single Audit (completed in February 2001), approximately $28.6 million of federal expenditures are in question as not being appropriate under the terms of the respective grants. The amount of expenditures, which may be ultimately disallowed by the grantor, cannot be determined at this time, and consequently, no provision for any liability or adjustments for this matter has been recognized in the State's financial statements for the fiscal year ended June 30, 2001.

C. Tax Refund Claims

Corporate franchise tax and sales and use tax refund claims in the amount of $32.8 million and $4.1 million, respectively, are pending an official determination of the Tax Commissioner at the Ohio Department of Taxation. The claims arose from refund claims taxpayers filed during fiscal year 2001 for tax periods occurring in fiscal year 2001 and in prior years. No liability has been reported in the financial statements for this matter.

D. Construction Commitments

As of June 30, 2001, the Department of Transportation had contractual commitments of approximately $1.57 billion for highway construction projects. Funding for future expenditures is expected to be provided from federal, primary government, general obligation and revenue bonds, and local government

NOTE 22 CONTINGENCIES AND COMMITMENTS (Continued)

sources in amounts of $953.1 million, $375 million, $208 million, and $38.1 million, respectively.

As of June 30, 2001, non-highway construction commitments for the primary government's budgeted capital projects funds are as follows (dollars in thousands):

Capital Projects Fund	
Higher Education Improvements	$237,930
Mental Health/Mental Retardation Facilities Improvements	26,725
Parks and Recreation Improvements	21,519
Administrative Services Building Improvements	72,875
Youth Services Building Improvements	21,962
Transportation Building Improvements	542
Adult Correctional Building Improvements	58,027
Highway Safety Building Improvements	11,220
Ohio Parks and Natural Resources	31,353
Total	$482,153

E. Tobacco Settlement

In November 1998, the Attorneys General of 46 states, five U.S. territories, and the District of Columbia signed the Master Settlement Agreement (MSA) with the nation's largest tobacco manufacturers. This signaled the end of litigation brought by the Attorneys General against the manufacturers in 1996 for state health care expenses attributed to smoking–related claims. The remaining four states (Florida, Minnesota, Mississippi, and Texas) settled separately.

According to the MSA, participating tobacco manufacturers are required to adhere to a variety of new marketing and lobbying restrictions and provide payments to the states in perpetuity.

While Ohio's share of the total base payments to the states through 2025 will not change over time, the amount of the annual payment is subject to a number of adjustments, including an inflation adjustment and a volume adjustment. Some of these adjustments (for example, inflation) should contribute to an increase in the payments and others (for example, domestic cigarette sales volume) may decrease the payments. But the net effect of these adjustment factors on future payments is very uncertain, which makes it difficult to speculate on how different Ohio's real payments will be from the pre-adjusted base payment amounts.

In addition to the base payments, Ohio will receive payments from the Strategic Contribution Fund. The Strategic Contribution Fund was established to reward states that played leadership roles in the tobacco litigation and settlement negotiations. Allocations from the fund are based on a state's contribution to the litigation and settlement with the tobacco companies. These payments are also subject to the adjustment factors outlined in the MSA.

A schedule of pre-adjusted base payments and payments from the Strategic Contribution Fund for the State of Ohio in future years follows (dollars in thousands):

Year Ending June 30,	Pre-adjusted MSA Base Payments	Pre-adjusted Payments From the Strategic Contribution Fund	Total
2002	$ 418,783	$ —	$ 418,783
2003	422,746	—	422,746
2004	352,827	—	352,827
2005	352,827	—	352,827
2006	352,827	—	352,827
Thereafter	7,176,739	239,500	7,416,239
Total	$9,076,749	$239,500	$9,316,249

During fiscal year 2001, Ohio received $315.8 million, which was $33 million or 9.5 percent less than the pre-adjusted base payment for the year. During fiscal year 2000, the first year when base payments were made to the states under the settlement, the State received $412.3 million, which was $31.6 million or 7.1 percent less than the pre-adjusted base payment for fiscal year 2000.

In fiscal year 2000, the State enacted legislation to allocate its anticipated share of the proceeds of the national tobacco settlement. A comprehensive allocation had been made through fiscal year 2012 and a partial allocation has been made through fiscal year 2025. (In light of the constitutional two-year limitation on appropriations, those allocations are subject to the General Assembly making biennial appropriations to fund them.) None of the moneys are to be applied to existing operating programs of the State. The main portion of the moneys will go to assist the financing of elementary and secondary school capital facilities. The State has targeted other amounts for new programs for smoking cessation and other health-related purposes, biomedical research and technology transfer, and assistance to the tobacco-growing areas in Ohio.

NOTE 23 RISK FINANCING

A. Workers' Compensation Benefits

The Ohio Workers' Compensation System, which the Bureau of Workers' Compensation and the Industrial Commission administer, is the exclusive provider of workers' compensation insurance to private and public employers in Ohio who are not self-insured. The Workers' Compensation Enterprise Fund provides benefits to employees for losses sustained from work-related injuries or illnesses.

The "Benefits Payable" account balance, as of June 30, 2001, in the amount of approximately $12.5 billion includes reserves for indemnity and medical claims, including actuarial estimates for both reported claims and claims incurred but not reported. The estimate for this liability is based on historical claims experience data and assumptions and projections as to future events, including claims frequency, severity, persistency, and inflationary trends for medical claim reserves. The compensation adjustment expenses liability, which is included in "Refund and Other Liabilities" in the amount of approximately $1.6 billion, is an estimate of future expenses to be incurred in the settlement of claims. The estimate for this liability is based on projected claim-related expenses, estimated costs of the managed care Health Partnership Program, and the reserve for compensation.

Management of the Ohio Bureau of Workers' Compensation and the Industrial Commission of Ohio believes that the reported liability estimates are adequate; however, the ultimate liabilities may vary from amounts provided. While management uses available information to estimate the liabilities, future changes to the reserves for compensation and compensation adjustment expenses may be necessary based on claims experience and changing claims frequency and severity conditions. The methods of making such estimates and for establishing the resulting liabilities are reviewed and updated quarterly based upon current circumstances. Any adjustments resulting from changes in estimates are recognized in the current period.

Benefits payable and the compensation adjustment expenses liability have been discounted at 6.0 percent to reflect the present value of future benefit payments. The undiscounted reserves for the benefits and compensation adjustment expenses totaled $29.5 billion, as of June 30, 2001, and $28.5 billion, as of June 30, 2000. For additional information, refer to the Fund's separate audited financial report, for the fiscal year ended June 30, 2001.

Changes in the balance of benefits payable and the compensation adjustment expenses liability for the Workers' Compensation Program during the past two fiscal years are presented in the table below.

B. Ohio Med Health Plan

Employees of the primary government have the option of participating in the Ohio Med Health Plan, which is a fully self-insured health benefit plan established July 1, 1989. Medical Mutual of Ohio administers the plan under a claims administration contract with the primary government.

When it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, the primary government reports liabilities for the governmental and proprietary funds. Liabilities include an amount for claims that have been incurred but not reported. The plan's actuary calculates estimated claims liabilities based on prior claims data, employee enrollment figures, medical trends, and experience.

Primary Government
Changes in Workers' Compensation Benefits Payable
and Compensation Adjustment Expenses Liability
Last Two Fiscal Years
(dollars in millions)

	Fiscal Year 2001	Fiscal Year 2000
Benefits Payable and Compensation Adjustment Expenses Liability, as of July 1	$13,638	$14,041
Incurred Compensation and Compensation Adjustment Benefits	2,494	1,177
Incurred Compensation and Compensation Adjustment Benefit Payments	(2,020)	(1,886)
Change in Liability Due to Decrease in Discount Rate	—	306
Benefits Payable and Compensation Adjustment Expenses Liability, as of June 30	$14,112	$13,638

NOTE 23 RISK FINANCING (Continued)

Governmental and proprietary funds pay a share of the costs for claims settlement based on the number of employees opting for plan participation and the type of coverage selected by participants. The payments are reported in the Payroll Withholding and Fringe Benefits Agency Fund until such time that the primary government pays the accumulated resources to Medical Mutual of Ohio for claims settlement.

For governmental funds, the primary government recognizes claims as expenditures to the extent that the amounts are payable with expendable available financial resources; any remaining accrued unfunded liabilities are reported in the General Long-Term Obligations Account Group. For proprietary funds, claims are recognized as expenses when incurred.

As of June 30, 2001, approximately $16.8 million in assets was available in the Agency Fund. Changes in the balance of Ohio Med health claims liabilities during the past two fiscal years are as follows (dollars in thousands):

	Fiscal Year 2001	Fiscal Year 2000
Claims Liabilities, as of July 1	$24,154	$20,092
Incurred Claims	131,798	102,635
Claims Payments	(122,122)	(98,573)
Claims Liabilities, as of June 30	$33,830	$24,154

As of June 30, 2001, the estimated claims liability exceeded the resources on deposit in the Payroll Withholding and Fringe Benefits Agency Fund for the payment of claims by approximately $17 million, thereby, resulting in a funding deficit. The net claims liability, which is payable from expendable available financial resources in the governmental funds, as of June 30, 2001, is reported as a fund liability in the governmental and proprietary funds and is included under “Accrued Liabilities.”

C. Other Risk Financing Programs

The primary government has established programs to advance fund potential losses for vehicular liability and theft in office. The potential amount of loss arising from these risks, however, is not considered material in relation to the State’s financial position.

NOTE 24 SUBSEQUENT EVENTS

A. Bond Issuances

Subsequent to June 30, 2001 (December 31, 2000 for the Ohio Water Development Authority), the State issued major debt as detailed in the table below and on the following page.

Debt Issuances
Subsequent to June 30, 2001
(dollars in thousands)

Issue	Date	Interest Coupon Rates	Amount
Primary Government:			
Coal Development General Obligation Bonds, Series F	August 2001	4.0%-5.0%	$ 15,000
Natural Resources General Obligation Bonds, Series F	August 2001	4.0%-5.0%	20,000
Mental Health Capital Facilities Special Obligation Bonds, Series II-2001B	August 2001	3.0%-5.5%	30,000
Common Schools General Obligation Bonds, Series 2001B	August 2001	3.5%-5.5%	200,000
Major New State Infrastructure Project Revenue Bonds, Series 2001-1	September 2001	3.5%-5.0%	100,000
Higher Education General Obligation Bonds, Series 2001B	October 2001	4.0%-5.0%	175,000
Total Primary Government			$540,000

(Continued)

NOTE 24 SUBSEQUENT EVENTS (Continued)

Issue	Date	Interest Coupon Rates	Amount
Component Units:			
Ohio Building Authority:			
State Facilities Refunding Bonds (Adult Correctional Building Fund Projects), 2001 Series A	July 2001	4.38%*	$249,850
Ohio Water Development Authority:			
Water Pollution Control Fund Refunding Revenue Bonds, State Match Series 2001	April 2001	3.5%-5.3%	53,590
Adjustable Rate Water Development Revenue Notes — RD Loan Advance, Series 2001-A	April 2001	Variable Rate	6,500
Water Development Revenue Bonds:			
Fresh Water Improvement, Series 2001A	September 2001	4.0%-5.4%	25,345
Fresh Water Refunding, Series 2001B	September 2001	4.0%-5.5%	53,005
Total Component Units			$388,290

*Average interest rate

B. Workers' Compensation Premium Credit
Effective July 1, 2001, the Bureau of Workers' Compensation will include a 75 percent premium credit in its bills to private employers for their workers' compensation insurance coverage during the first and second half of state fiscal year 2002. The credit, which the Workers' Compensation Oversight Commission approved on April 24, 2001, will return an estimated $1.3 billion to these employers.

C. Child Support Case Reviews
Effective October 25, 2001, Senate Bill 170 authorized the Ohio Department of Job and Family Services to compensate child support recipients dating back to October 1997. The legislation requires county child support enforcement agencies to audit child support cases, from October 1997 to September 2000, to identify instances in which state income tax refunds and/or past due child support payments were kept by the State to offset the cost of public assistance. While not required by law, the return of past due payments that were kept during this time period is an option Ohio is exercising as part of the State's commitment to welfare reform.

The Department will distribute payments to families based on the county audit findings. Interest of 6.5 percent a year will be paid in cases in which the total interest exceeds $10. It is estimated that families will receive a total of up to $44 million, including $6 million in interest.

D. State's Economy
The Ohio economy has declined since the beginning of the current budget cycle in July 2001. Ohio's economy is now in a recession that has been characterized by layoffs and falling corporate profits. The State's fiscal conditions have changed in recent months. In addition to increasing demands for more government spending on human services programs in response to the weakening economy, the State's personal income, corporate income, and sales tax revenues have been unable to reach projected levels of collections.

The Ohio Constitution prohibits the State from borrowing money to fund operating expenditures in the General Revenue Fund (GRF), the State's largest non-GAAP budgetary basis operating fund included in the General Fund. Therefore, by law, the GRF's budget must be balanced so that appropriations do not exceed available cash receipts and cash balances for the current fiscal year.

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

SPECIAL REVENUE FUNDS

The **Special Revenue Funds** account for specific revenues that are legally restricted to expenditure for designated purposes.

The **Community and Economic Development Fund** accounts for programs administered by the Department of Development and other various state agencies, which were created to assure the efficient use of resources for the State's community and economic growth and development.

The **Job, Family and Other Human Services Fund** accounts for public assistance programs primarily administered by the Department of Job and Family Services, which provides financial assistance, services, and job training to those individuals and families who do not have sufficient resources to meet their basic needs.

The **Health Fund** accounts for public health programs primarily administered by the Department of Health, which promotes the prevention and treatment of diseases and illnesses through technical assistance, health education, and research.

The **Mental Health and Retardation Fund** accounts for mental health care and retardation programs primarily administered by the Department of Mental Health and the Department of Mental Retardation and Developmental Disabilities, which provide assistance, services, and medical care to those individuals with mental health and developmental disability problems.

The **Education Fund** accounts for programs administered by the Department of Education, the Ohio Board of Regents, and other various state agencies, which prescribe the State's minimum educational requirements and which provide funding and assistance to local school districts for basic instruction and vocational and technical job training and to the State's colleges and universities for post-secondary education.

The **Highway Safety Fund** accounts for public safety programs primarily administered by the Department of Public Safety, which enforces traffic-related laws for the purpose of reducing accidents, deaths, injuries, and property damages on Ohio's highways.

The **Highway Operating Fund** accounts for programs administered by the Department of Transportation, which is responsible for the planning and design, construction, and maintenance of Ohio's highways, roads, and bridges and for Ohio's public transportation programs.

The **Natural Resources Fund** accounts for environmental programs administered by the Department of Natural Resources, the Environmental Protection Agency, and other various state agencies, which promote, protect, and manage the State's natural resources and environment.

The **Wildlife and Waterways Safety Fund** accounts for programs administered by the Department of Natural Resources' Divisions of Wildlife and Watercraft, which promote, protect, and manage the State's wildlife and waterways and which provide technical assistance and education to the public.

The **Revenue Distribution Fund** accounts for tax relief and aid to local government programs, which derive funding from tax and other revenues levied, collected, and designated by the State for these purposes.

The **Local Infrastructure and Transportation Improvements Fund** accounts for the Local Transportation Improvement Program administered by the Ohio Public Works Commission, which provides grants and loans to local governments for highway, road, and bridge construction.

The **Tobacco Settlement Fund** accounts for various health, education, economic, and law enforcement-related programs funded with moneys received under the Master Settlement Agreement with the nation's largest tobacco companies.

The **Arts Facilities Improvements Fund** accounts for bond proceeds that finance construction of and improvements to various arts and sciences facilities at the state and local level.

The **Sports Facilities Improvements Fund** accounts for bond proceeds that finance capital facilities defined as Ohio sports facilities in Section 3383.01(J), Ohio Revised Code.

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT	JOB, FAMILY AND OTHER HUMAN SERVICES	HEALTH
ASSETS			
Cash Equity with Treasurer	$ 374,813	$ 177,779	$ 39,268
Cash and Cash Equivalents	9,681	25,812	—
Investments	140,245	40,160	—
Collateral on Lent Securities	178,468	84,341	17,315
Receivables:			
Taxes	1,666	—	—
Intergovernmental	16,392	324,397	16,812
Loans, Net	472,576	—	—
Other	13,155	35,401	17,962
Due from Other Funds	2,696	92	49
Inventories	—	—	—
Advances to Other Funds	—	—	—
Other Assets	225	—	1,232
TOTAL ASSETS	**$ 1,209,917**	**$ 687,982**	**$ 92,638**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 58,293	$ 60,355	$ 23,551
Accrued Liabilities	5,272	8,727	2,143
Obligations Under Securities Lending	178,468	84,341	17,315
Intergovernmental Payable	10,647	196,076	7,743
Due to Other Funds	721	474	90
Deferred Revenue	15,112	183,763	9,541
Refund and Other Liabilities	598	7,581	—
Advances from Other Funds	190,858	—	—
Total Liabilities	459,969	541,317	60,383
Fund Balances:			
Reserved for:			
Encumbrances	387,505	718,366	11,029
Noncurrent Portion of Loans Receivable	460,642	—	—
Other:			
Inventories	—	—	—
Advances to Other Funds	—	—	—
Prepaids	225	—	—
Ohio Enterprise Bond Program	10,000	—	—
Loan Commitments	16,210	—	—
State and Local Highway Construction	—	—	—
Public Assistance and Medicaid	—	84,629	—
Health and Human Services	—	—	10,255
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Community and Economic Development	1,615	—	—
Unreserved/Undesignated (Deficits)	(126,249)	(656,330)	10,971
Total Fund Balances	749,948	146,665	32,255
TOTAL LIABILITIES AND FUND BALANCES	**$ 1,209,917**	**$ 687,982**	**$ 92,638**

MENTAL HEALTH AND RETARDATION	EDUCATION	HIGHWAY SAFETY	HIGHWAY OPERATING	NATURAL RESOURCES	WILDLIFE AND WATERWAYS SAFETY
$ 56,494	$ 74,516	$ 153,071	$ 976,083	$ 144,146	$ 53,395
—	696	—	—	1,158	—
—	4,512	—	—	—	—
24,934	33,435	67,098	427,699	63,517	23,398
—	—	—	53,364	2,029	1,980
95,589	148,429	811	81,112	140	—
—	10,410	—	46,899	287	—
439	472	445	3,101	699	1,276
27	119	1,790	2,579	349	137
—	—	—	30,368	—	—
—	—	—	20,000	—	—
—	3,016	—	—	—	—
$ 177,483	**$ 275,605**	**$ 223,215**	**$ 1,641,205**	**$ 212,325**	**$ 80,186**
$ 17,553	$ 3,795	$ 8,886	$ 116,917	$ 6,693	$ 974
827	874	8,540	14,636	3,366	1,569
24,934	33,435	67,098	427,699	63,517	23,398
60,358	67,562	4,990	4,557	614	—
537	154	1,178	282	81	2
23,371	113,533	1,224	43,373	1,156	6
27	—	—	—	—	—
—	—	—	—	—	—
127,607	219,353	91,916	607,464	75,427	25,949
416,859	327,686	26,265	1,396,023	31,196	7,690
—	10,018	—	1,301	—	—
—	—	—	30,368	—	—
—	—	—	20,000	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	8,706	—	—	—
—	—	—	—	3,320	—
—	—	—	—	—	—
(366,983)	(281,452)	96,328	(413,951)	102,382	46,547
49,876	56,252	131,299	1,033,741	136,898	54,237
$ 177,483	**$ 275,605**	**$ 223,215**	**$ 1,641,205**	**$ 212,325**	**$ 80,186**

(continued)

STATE OF OHIO
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)
(continued)

	REVENUE DISTRIBUTION	LOCAL INFRASTRUCTURE AND TRANSPORTATION IMPROVEMENTS	TOBACCO SETTLEMENT
ASSETS			
Cash Equity with Treasurer	$ 206,427	$ 206,455	$ 369,327
Cash and Cash Equivalents	—	—	26
Investments	—	—	250,017
Collateral on Lent Securities	90,991	90,451	208,894
Receivables:			
Taxes	229,738	—	—
Intergovernmental	—	—	—
Loans, Net	—	198,000	—
Other	107	649	1,164
Due from Other Funds	8,468	459	823
Inventories	—	—	—
Advances to Other Funds	—	—	—
Other Assets	—	—	—
TOTAL ASSETS	**$ 535,731**	**$ 496,014**	**$ 830,251**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ —	$ 4,777	$ 217
Accrued Liabilities	—	36	16
Obligations Under Securities Lending	90,991	90,451	208,894
Intergovernmental Payable	240,892	1,154	—
Due to Other Funds	53	7	—
Deferred Revenue	6,224	—	—
Refund and Other Liabilities	70,389	—	—
Advances from Other Funds	—	—	—
Total Liabilities	408,549	96,425	209,127
Fund Balances:			
Reserved for:			
Encumbrances	—	31	930
Noncurrent Portion of Loans Receivable	—	196,708	—
Other:			
Inventories	—	—	—
Advances to Other Funds	—	—	—
Prepaids	—	—	—
Ohio Enterprise Bond Program	—	—	—
Loan Commitments	—	61,551	—
State and Local Highway Construction	123,816	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Community and Economic Development	—	—	—
Unreserved/Undesignated (Deficits)	3,366	141,299	620,194
Total Fund Balances	127,182	399,589	621,124
TOTAL LIABILITIES AND FUND BALANCES	**$ 535,731**	**$ 496,014**	**$ 830,251**

ARTS FACILITIES IMPROVEMENTS	SPORTS FACILITIES IMPROVEMENTS	TOTAL
$ 46,226	$ 26,804	$ 2,904,804
—	—	37,373
—	—	434,934
20,297	11,789	1,342,627
—	—	288,777
—	—	683,682
—	—	728,172
147	85	75,102
104	60	17,752
—	—	30,368
—	—	20,000
—	—	4,473
$ 66,774	**$ 38,738**	**$ 6,568,064**
$ 5,241	$ —	$ 307,252
—	—	46,006
20,297	11,789	1,342,627
—	—	594,593
—	—	3,579
—	—	397,303
—	—	78,595
—	—	190,858
25,538	11,789	2,960,813
20,999	20,148	3,364,727
—	—	668,669
—	—	30,368
—	—	20,000
—	—	225
—	—	10,000
—	—	77,761
—	—	123,816
—	—	84,629
—	—	10,255
—	—	8,706
—	—	3,320
—	—	1,615
20,237	6,801	(796,840)
41,236	26,949	3,607,251
$ 66,774	**$ 38,738**	**$ 6,568,064**

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT	JOB, FAMILY AND OTHER HUMAN SERVICES	HEALTH
REVENUES:			
Income Taxes	$ 3,426	$ —	$ —
Sales Taxes	15,786	—	—
Corporate and Public Utility Taxes	255	—	—
Motor Vehicle Fuel Taxes	1,205	—	—
Other Taxes	23,937	5,525	—
Licenses, Permits and Fees	182,647	287,393	15,844
Sales, Services and Charges	19,108	—	5
Federal Government	337,492	2,663,121	343,062
Tobacco Settlement	—	—	—
Investment Income	21,278	14,259	503
Other	48,752	88,574	26,696
TOTAL REVENUES	**653,886**	**3,058,872**	**386,110**
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	126	252	—
Higher Education Support	—	752	—
Public Assistance and Medicaid	—	2,713,864	—
Health and Human Services	—	411,953	394,911
Justice and Public Protection	131,035	25,431	1
Environmental Protection and Natural Resources	349	—	—
Transportation	935	—	—
General Government	125,723	2,125	—
Community and Economic Development	388,106	—	952
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	1,104	—
TOTAL EXPENDITURES	**646,274**	**3,155,481**	**395,864**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**7,612**	**(96,609)**	**(9,754)**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	41,284	47,866	10,322
Operating Transfers-out	(12,377)	(5,319)	(429)
Operating Transfers to Component Units	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**28,907**	**42,547**	**9,893**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**36,519**	**(54,062)**	**139**
FUND BALANCES, JULY 1 (as restated)	689,486	200,727	32,116
Increase (Decrease) for Changes in Inventories	—	—	—
Residual Equity Transfers In	23,943	—	—
FUND BALANCES, JUNE 30	**$ 749,948**	**$ 146,665**	**$ 32,255**

MENTAL HEALTH AND RETARDATION	EDUCATION	HIGHWAY SAFETY	HIGHWAY OPERATING	NATURAL RESOURCES	WILDLIFE AND WATERWAYS SAFETY
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	11,375	—
—	—	—	371,965	—	10,878
—	—	1,638	—	8,113	—
1	753	101,613	55,714	81,073	33,631
—	424	18,910	2,090	1,851	608
622,911	986,635	13,313	899,848	47,029	11,510
—	—	—	—	—	—
166	9,383	11,655	78,552	3,253	4,160
24,279	15,991	24,913	46,597	29,661	3,139
647,357	**1,013,186**	**172,042**	**1,454,766**	**182,355**	**63,926**
—	1,614,928	—	—	—	—
—	14,705	—	—	—	—
711	—	—	—	—	—
653,052	199	158	—	—	—
—	21,715	315,448	—	453	—
—	—	—	—	157,825	56,522
—	—	—	1,708,188	—	—
—	—	—	—	4,569	—
—	—	—	—	6,667	—
—	—	—	—	—	—
—	—	7,050	—	—	2,861
653,763	**1,651,547**	**322,656**	**1,708,188**	**169,514**	**59,383**
(6,406)	**(638,361)**	**(150,614)**	**(253,422)**	**12,841**	**4,543**
—	—	—	—	—	—
2,700	646,740	175,101	552,392	170	966
—	(63,379)	(10,075)	(217,055)	(2,497)	(11)
—	—	—	—	—	—
2,700	**583,361**	**165,026**	**335,337**	**(2,327)**	**955**
(3,706)	**(55,000)**	**14,412**	**81,915**	**10,514**	**5,498**
53,582	111,252	116,887	955,046	126,384	48,739
—	—	—	(3,220)	—	—
—	—	—	—	—	—
$ 49,876	**$ 56,252**	**$ 131,299**	**$ 1,033,741**	**$ 136,898**	**$ 54,237**

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	REVENUE DISTRIBUTION	LOCAL INFRASTRUCTURE AND TRANSPORTATION IMPROVEMENTS	TOBACCO SETTLEMENT
REVENUES:			
Income Taxes	$ 852,476	$ —	$ —
Sales Taxes	310,586	—	—
Corporate and Public Utility Taxes	110,231	—	—
Motor Vehicle Fuel Taxes	1,044,393	—	—
Other Taxes	18,419	—	—
Licenses, Permits and Fees	344,453	—	—
Sales, Services and Charges	—	—	—
Federal Government	—	—	—
Tobacco Settlement	—	—	315,812
Investment Income	3,755	16,688	29,875
Other	64	758	28
TOTAL REVENUES	***2,684,377***	***17,446***	***345,715***
EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	20,464	—	—
Higher Education Support	—	—	257
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	5,780
Justice and Public Protection	—	—	174
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	1,090	31
INTERGOVERNMENTAL	1,998,659	160,173	—
CAPITAL OUTLAY	—	—	—
TOTAL EXPENDITURES	***2,019,123***	***161,263***	***6,242***
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	***665,254***	***(143,817)***	***339,473***
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	122,968	—
Operating Transfers-in	64,095	62,516	—
Operating Transfers-out	(728,241)	—	—
Operating Transfers to Component Units	—	—	(138,063)
TOTAL OTHER FINANCING SOURCES (USES)	***(664,146)***	***185,484***	***(138,063)***
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	***1,108***	***41,667***	***201,410***
FUND BALANCES, JULY 1 (as restated)	126,074	357,922	419,714
Increase (Decrease) for Changes in Inventories	—	—	—
Residual Equity Transfers In	—	—	—
FUND BALANCES, JUNE 30	***$ 127,182***	***$ 399,589***	***$ 621,124***

ARTS FACILITIES IMPROVEMENTS	SPORTS FACILITIES IMPROVEMENTS	TOTAL
$ —	$ —	$ 855,902
—	—	326,372
—	—	121,861
—	—	1,428,441
—	—	57,632
—	—	1,103,122
—	—	42,996
—	—	5,924,921
—	—	315,812
2,666	1,143	197,336
—	—	309,452
2,666	**1,143**	**10,683,847**
—	—	1,635,770
—	—	15,714
—	—	2,714,575
—	—	1,466,053
—	—	494,257
—	—	214,696
—	—	1,709,123
—	—	132,417
—	—	396,846
9,314	3,193	2,171,339
3,621	—	14,636
12,935	**3,193**	**10,965,426**
(10,269)	**(2,050)**	**(281,579)**
—	—	122,968
30,342	24,087	1,658,581
—	—	(1,039,383)
—	—	(138,063)
30,342	**24,087**	**604,103**
20,073	**22,037**	**322,524**
21,163	4,912	3,264,004
—	—	(3,220)
—	—	23,943
$ 41,236	**$ 26,949**	**$ 3,607,251**

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	COMMUNITY AND ECONOMIC DEVELOPMENT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ 3,406	$ 3,406	$ —
Sales Taxes	15,761	15,761	—
Corporate and Public Utility Taxes	254	254	—
Motor Vehicle Fuel Taxes	1,206	1,206	—
Other Taxes	23,938	23,938	—
Licenses, Permits and Fees	182,243	182,243	—
Sales, Services and Charges	10,145	10,145	—
Federal Government	294,547	294,547	—
Tobacco Settlement	—	—	—
Investment Income	12,286	12,286	—
Other	100,915	100,915	—
TOTAL REVENUES	**644,701**	**644,701**	**—**
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	1,358	993	365
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	182,198	150,144	32,054
Environmental Protection and Natural Resources	388	369	19
Transportation	1,891	838	1,053
General Government	147,135	136,563	10,572
Community and Economic Development	553,978	494,557	59,421
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	770	—	770
TOTAL BUDGETARY EXPENDITURES	**887,718**	**783,464**	**104,254**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(243,017)**	**(138,763)**	**104,254**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	43,059	43,059	—
Operating Transfers-out	(29,582)	(29,582)	—
Encumbrance Reversions	14,306	14,306	—
TOTAL OTHER FINANCING SOURCES (USES)	**27,783**	**27,783**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(215,234)**	**(110,980)**	**104,254**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	70,981	70,981	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (144,253)**	**$ (39,999)**	**$ 104,254**

	JOB, FAMILY AND OTHER HUMAN SERVICES			HEALTH		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	$ —	$ —	$ —	$ —	$ —	$ —
	—	—	—	—	—	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	5,525	5,525	—	—	—	—
	287,595	287,595	—	20,698	20,698	—
	—	—	—	2,583	2,583	—
	2,185,190	2,185,190	—	327,820	327,820	—
	—	—	—	—	—	—
	11,777	11,777	—	376	376	—
	165,491	165,491	—	81,574	81,574	—
	2,655,578	**2,655,578**	**—**	**433,051**	**433,051**	**—**
	303	248	55	—	—	—
	1,000	88	912	—	—	—
	2,403,797	2,125,448	278,349	—	—	—
	477,314	443,805	33,509	472,740	437,045	35,695
	45,168	21,621	23,547	10	1	9
	—	—	—	—	—	—
	—	—	—	—	—	—
	2,022	1,793	229	—	—	—
	—	—	—	3,946	2,243	1,703
	—	—	—	—	—	—
	6,457	351	6,106	—	—	—
	—	—	—	—	—	—
	2,936,061	**2,593,354**	**342,707**	**476,696**	**439,289**	**37,407**
	(280,483)	**62,224**	**342,707**	**(43,645)**	**(6,238)**	**37,407**
	—	—	—	—	—	—
	3,130	3,130	—	2,865	2,865	—
	(5,600)	(5,600)	—	(86)	(86)	—
	25,292	25,292	—	5,328	5,328	—
	22,822	**22,822**	**—**	**8,107**	**8,107**	**—**
	(257,661)	**85,046**	**342,707**	**(35,538)**	**1,869**	**37,407**
	(816,393)	(816,393)	—	7,923	7,923	—
	$ (1,074,054)	**$ (731,347)**	**$ 342,707**	**$ (27,615)**	**$ 9,792**	**$ 37,407**

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	MENTAL HEALTH AND RETARDATION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	1	1	—
Sales, Services and Charges	—	—	—
Federal Government	1,342,850	1,342,850	—
Tobacco Settlement	—	—	—
Investment Income	130	130	—
Other	28,415	28,415	—
TOTAL REVENUES	**1,371,396**	**1,371,396**	**—**
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	844,022	844,021	1
Health and Human Services	710,019	649,946	60,073
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**1,554,041**	**1,493,967**	**60,074**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(182,645)**	**(122,571)**	**60,074**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	5,266	5,266	—
TOTAL OTHER FINANCING SOURCES (USES)	**5,266**	**5,266**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(177,379)**	**(117,305)**	**60,074**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	(271,087)	(271,087)	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (448,466)**	**$ (388,392)**	**$ 60,074**

EDUCATION			HIGHWAY SAFETY		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	1,638	1,638	—
753	753	—	102,091	102,091	—
424	424	—	18,731	18,731	—
1,024,054	1,024,054	—	12,687	12,687	—
—	—	—	—	—	—
6,761	6,761	—	8,599	8,599	—
25,683	25,683	—	28,346	28,346	—
1,057,675	**1,057,675**	**—**	**172,092**	**172,092**	**—**
1,928,504	1,501,258	427,246	—	—	—
8,676	7,294	1,382	—	—	—
—	—	—	—	—	—
234	204	30	215	156	59
25,587	21,856	3,731	349,082	325,496	23,586
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	14,231	9,075	5,156
—	—	—	14,000	10,135	3,865
1,963,001	**1,530,612**	**432,389**	**377,528**	**344,862**	**32,666**
(905,326)	**(472,937)**	**432,389**	**(205,436)**	**(172,770)**	**32,666**
—	—	—	—	—	—
445,969	445,969	—	191,951	191,951	—
187,178	187,178	—	(16,850)	(16,850)	—
110,169	110,169	—	7,410	7,410	—
743,316	**743,316**	**—**	**182,511**	**182,511**	**—**
(162,010)	**270,379**	**432,389**	**(22,925)**	**9,741**	**32,666**
(581,638)	(581,638)	—	103,594	103,594	—
$ (743,648)	**$ (311,259)**	**$ 432,389**	**$ 80,669**	**$ 113,335**	**$ 32,666**

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	HIGHWAY OPERATING		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	355,853	355,853	—
Other Taxes	—	—	—
Licenses, Permits and Fees	55,879	55,879	—
Sales, Services and Charges	2,090	2,090	—
Federal Government	888,485	888,485	—
Tobacco Settlement	—	—	—
Investment Income	57,750	57,750	—
Other	65,748	65,748	—
TOTAL REVENUES	**1,425,805**	**1,425,805**	**—**
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	2,579,388	1,900,707	678,681
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	—	—	—
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	48,344	26,206	22,138
TOTAL BUDGETARY EXPENDITURES	**2,627,732**	**1,926,913**	**700,819**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(1,201,927)**	**(501,108)**	**700,819**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	552,392	552,392	—
Operating Transfers-out	(210,889)	(210,889)	—
Encumbrance Reversions	117,437	117,437	—
TOTAL OTHER FINANCING SOURCES (USES)	**458,940**	**458,940**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(742,987)**	**(42,168)**	**700,819**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	(501,894)	(501,894)	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (1,244,881)**	**$ (544,062)**	**$ 700,819**

NATURAL RESOURCES			WILDLIFE AND WATERWAYS SAFETY		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
11,375	11,375	—	—	—	—
—	—	—	9,805	9,805	—
7,967	7,967	—	—	—	—
81,456	81,456	—	32,874	32,874	—
1,851	1,851	—	608	608	—
48,291	48,291	—	14,566	14,566	—
—	—	—	—	—	—
2,406	2,406	—	3,111	3,111	—
39,326	39,326	—	4,187	4,187	—
192,672	**192,672**	**—**	**65,151**	**65,151**	**—**
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
776	456	320	—	—	—
221,242	179,004	42,238	65,840	57,521	8,319
—	—	—	—	—	—
5,355	4,665	690	—	—	—
10,015	3,513	6,502	—	—	—
—	—	—	—	—	—
—	—	—	25,014	5,703	19,311
—	—	—	—	—	—
237,388	**187,638**	**49,750**	**90,854**	**63,224**	**27,630**
(44,716)	**5,034**	**49,750**	**(25,703)**	**1,927**	**27,630**
—	—	—	—	—	—
4,198	4,198	—	10	10	—
(3,808)	(3,808)	—	(11)	(11)	—
4,672	4,672	—	789	789	—
5,062	**5,062**	**—**	**788**	**788**	**—**
(39,654)	**10,096**	**49,750**	**(24,915)**	**2,715**	**27,630**
98,961	98,961	—	41,912	41,912	—
$ 59,307	**$ 109,057**	**$ 49,750**	**$ 16,997**	**$ 44,627**	**$ 27,630**

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	REVENUE DISTRIBUTION		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ 852,476	$ 852,476	$ —
Sales Taxes	299,370	299,370	—
Corporate and Public Utility Taxes	95,066	95,066	—
Motor Vehicle Fuel Taxes	986,710	986,710	—
Other Taxes	18,441	18,441	—
Licenses, Permits and Fees	518,341	518,341	—
Sales, Services and Charges	—	—	—
Federal Government	—	—	—
Tobacco Settlement	—	—	—
Investment Income	2,983	2,983	—
Other	63	63	—
TOTAL REVENUES	**2,773,450**	**2,773,450**	**—**
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	2,237,791	2,202,113	35,678
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**2,237,791**	**2,202,113**	**35,678**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**535,659**	**571,337**	**35,678**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	64,095	64,095	—
Operating Transfers-out	(716,436)	(716,436)	—
Encumbrance Reversions	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**(652,341)**	**(652,341)**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(116,682)**	**(81,004)**	**35,678**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	287,111	287,111	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ 170,429**	**$ 206,107**	**$ 35,678**

LOCAL INFRASTRUCTURE AND TRANSPORTATION IMPROVEMENTS			TOBACCO SETTLEMENT		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	315,812	315,812	—
12,389	12,389	—	23,029	23,029	—
12,675	12,675	—	28	28	—
25,064	**25,064**	**—**	**338,869**	**338,869**	**—**
—	—	—	—	—	—
—	—	—	5,011	278	4,733
—	—	—	—	—	—
—	—	—	244,697	233,907	10,790
—	—	—	669	181	488
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
1,471	1,112	359	22,689	21,150	1,539
648,476	195,954	452,522	15,759	—	15,759
—	—	—	—	—	—
—	—	—	—	—	—
649,947	**197,066**	**452,881**	**288,825**	**255,516**	**33,309**
(624,883)	**(172,002)**	**452,881**	**50,044**	**83,353**	**33,309**
122,969	122,969	—	—	—	—
62,516	62,516	—	281,931	281,931	—
—	—	—	(419,994)	(419,994)	—
11	11	—	—	—	—
185,496	**185,496**	**—**	**(138,063)**	**(138,063)**	**—**
(439,387)	**13,494**	**452,881**	**(88,019)**	**(54,710)**	**33,309**
191,355	191,355	—	419,994	419,994	—
$ (248,032)	**$ 204,849**	**$ 452,881**	**$ 331,975**	**$ 365,284**	**$ 33,309**

(continued)

STATE OF OHIO

SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	ARTS FACILITIES IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Income Taxes	$ —	$ —	$ —
Sales Taxes	—	—	—
Corporate and Public Utility Taxes	—	—	—
Motor Vehicle Fuel Taxes	—	—	—
Other Taxes	—	—	—
Licenses, Permits and Fees	—	—	—
Sales, Services and Charges	—	—	—
Federal Government	—	—	—
Tobacco Settlement	—	—	—
Investment Income	1,840	1,840	—
Other	—	—	—
TOTAL REVENUES	**1,840**	**1,840**	**—**
BUDGETARY EXPENDITURES:			
CURRENT:			
Primary, Secondary and Other Education	—	—	—
Higher Education Support	—	—	—
Public Assistance and Medicaid	—	—	—
Health and Human Services	—	—	—
Justice and Public Protection	—	—	—
Environmental Protection and Natural Resources	—	—	—
Transportation	—	—	—
General Government	—	—	—
Community and Economic Development	—	—	—
INTERGOVERNMENTAL	40,568	15,356	25,212
CAPITAL OUTLAY	15,731	11,326	4,405
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**56,299**	**26,682**	**29,617**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(54,459)**	**(24,842)**	**29,617**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	30,342	30,342	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**30,342**	**30,342**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(24,117)**	**5,500**	**29,617**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	14,236	14,236	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (9,881)**	**$ 19,736**	**$ 29,617**

SPORTS FACILITIES IMPROVEMENTS			TOTAL SPECIAL REVENUE		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ 855,882	$ 855,882	$ —
—	—	—	315,131	315,131	—
—	—	—	106,695	106,695	—
—	—	—	1,353,574	1,353,574	—
—	—	—	57,509	57,509	—
—	—	—	1,281,931	1,281,931	—
—	—	—	36,432	36,432	—
—	—	—	6,138,490	6,138,490	—
—	—	—	315,812	315,812	—
664	664	—	144,101	144,101	—
—	—	—	552,451	552,451	—
664	**664**	**—**	**11,158,008**	**11,158,008**	**—**
—	—	—	1,930,165	1,502,499	427,666
—	—	—	14,687	7,660	7,027
—	—	—	3,247,819	2,969,469	278,350
—	—	—	1,905,219	1,765,063	140,156
—	—	—	603,490	519,755	83,735
—	—	—	287,470	236,894	50,576
—	—	—	2,581,279	1,901,545	679,734
—	—	—	154,512	143,021	11,491
—	—	—	592,099	522,575	69,524
26,900	20,000	6,900	2,969,494	2,433,423	536,071
—	—	—	61,433	26,455	34,978
—	—	—	63,114	36,341	26,773
26,900	**20,000**	**6,900**	**14,410,781**	**12,064,700**	**2,346,081**
(26,236)	**(19,336)**	**6,900**	**(3,252,773)**	**(906,692)**	**2,346,081**
24,088	24,088	—	177,399	177,399	—
—	—	—	1,652,116	1,652,116	—
—	—	—	(1,216,078)	(1,216,078)	—
—	—	—	290,680	290,680	—
24,088	**24,088**	**—**	**904,117**	**904,117**	**—**
(2,148)	**4,752**	**6,900**	**(2,348,656)**	**(2,575)**	**2,346,081**
1,805	1,805	—	(933,140)	(933,140)	—
$ (343)	**$ 6,557**	**$ 6,900**	**$ (3,281,796)**	**$ (935,715)**	**$ 2,346,081**

DEBT SERVICE FUNDS

The **Debt Service Funds** account for the accumulation of resources for the payment of general long-term debt principal and interest.

The **Economic Development Revenue Bonds Fund** accounts for the payment of principal and interest on revenue bonds issued to finance loans to individuals, corporations, and agencies within the State for economic development projects that create or retain jobs in the State.

The **Transportation Certificates of Participation Fund** accounts for the payment of certificate of participation-related obligations that financed the acquisition of the Department of Transportation's Panhandle Rail Line Project.

The **Coal Research/Development General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 15 of Article VIII, Ohio Constitution, to finance coal research and development projects.

The **Improvements General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2f of Article VIII, Ohio Constitution, to finance the improvement of higher education facilities, public schools, and natural resources.

The **Highway Improvements General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2g of Article VIII, Ohio Constitution, to finance the acquisition of rights-of-way and the construction and reconstruction of the State's highways and urban extensions.

The **Development General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2h of Article VIII, Ohio Constitution, to finance the construction, improvement, and development of higher education facilities, public schools, and natural resources.

The **Highway General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2i of Article VIII, Ohio Constitution, to finance the construction of the State's highways.

The **Public Improvements General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2i of Article VIII, Ohio Constitution, to finance the improvement of higher education facilities, water pollution controls, parks, and natural resources.

The **Vietnam Conflict Compensation General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2j of Article VIII, Ohio Constitution, to provide funding for the compensation to Ohioans that served in the military during the Vietnam Conflict.

The **Local Infrastructure Improvements General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2k of Article VIII, Ohio Constitution, to finance the cost of local government's public infrastructure improvement projects.

The **Higher Education Facilities Special Obligations Fund** accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of higher education facilities.

The **Mental Health Facilities Special Obligations Fund** accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of mental health facilities.

The **Parks and Recreation Facilities Special Obligations Fund** accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of parks and recreation projects and state park facilities.

The **State Projects General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2l of Article VIII, Ohio Constitution, to finance capital improvements at state and local parks and other natural resources-related projects.

The **School Building Program Special Obligations Fund** accounts for the payment of principal and interest on special obligation bonds that have been authorized under Section 2i of Article VIII, Ohio Constitution, to finance the costs of school buildings and classroom facilities used by public school districts for elementary and secondary education purposes.

The **Highway Capital Improvements General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2m of Article VIII, Ohio Constitution, to finance capital improvements to the state highway system.

The **Infrastructure Bank Revenue Bonds Fund** accounts for the payment of principal and interest on revenue bonds that have been authorized under the authority of Section 5531.10, Ohio Revised Code, to finance the construction of the Spring-Sandusky Highway Project in Columbus.

The **Higher Education Capital Facilities General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2n of Article VIII, Ohio Constitution, to finance the costs of capital facilities for state-supported and state-assisted institutions of higher education, including those for technical education.

The **Common Schools Capital Facilities General Obligations Fund** accounts for the payment of principal and interest on general obligation bonds that have been authorized under Section 2n of Article VIII, Ohio Constitution, to finance the costs of facilities for a system of common schools throughout Ohio.

The **Ohio Building Authority Special Obligations Fund** accounts for the payment of principal and interest on special obligation bonds issued to finance the construction of state office buildings and the costs of capital improvements for the Departments of Administrative Services, Youth Services, Transportation, Rehabilitation and Correction, Natural Resources, and Public Safety and for the Arts and Sports Facilities Commission.

The **Enterprise Revenue Bonds Fund** accounts for the payment of principal and interest on taxable revenue bonds issued to provide a reserve and pledge to secure, in part, the payment of principal and interest on the Ohio Enterprise Bonds, a no commitment debt for the State that is issued under the authority of Section 166.09, Ohio Revised Code.

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)

	ECONOMIC DEVELOPMENT REVENUE BONDS	TRANSPORTATION CERTIFICATES OF PARTICIPATION	COAL RESEARCH/ DEVELOPMENT GENERAL OBLIGATIONS
ASSETS			
Cash Equity with Treasurer	$ —	$ —	$ 49
Cash and Cash Equivalents	—	—	—
Investments	5,367	948	—
Collateral on Lent Securities	1,011	—	21
Receivables:			
Loans, Net	—	—	—
Other	—	—	—
Due from Other Funds	—	—	—
TOTAL ASSETS	**$ 6,378**	**$ 948**	**$ 70**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Liabilities	$ —	$ —	$ —
Obligations Under Securities Lending	1,011	—	21
Refund and Other Liabilities	—	—	—
Total Liabilities	1,011	—	21
Fund Balances:			
Reserved for:			
Debt Service	5,367	948	49
Noncurrent Portion of Loans Receivable	—	—	—
Other:			
Assets in Excess of Debt Service Requirements	—	—	—
Unreserved/Undesignated (Deficits)	—	—	—
Total Fund Balances	5,367	948	49
TOTAL LIABILITIES AND FUND BALANCES	**$ 6,378**	**$ 948**	**$ 70**

IMPROVEMENTS GENERAL OBLIGATIONS	HIGHWAY IMPROVEMENTS GENERAL OBLIGATIONS	DEVELOPMENT GENERAL OBLIGATIONS	HIGHWAY GENERAL OBLIGATIONS	PUBLIC IMPROVEMENTS GENERAL OBLIGATIONS	VIETNAM CONFLICT COMPENSATION GENERAL OBLIGATIONS
$ 269	$ 7	$ 80	$ 53,555	$ 51	$ —
145	60	320	420	255	28
—	—	—	—	—	—
118	3	35	23,417	22	—
—	—	—	—	—	—
1	—	1	168	—	—
1	—	—	119	—	—
$ 534	**$ 70**	**$ 436**	**$ 77,679**	**$ 328**	**$ 28**
$ —	$ —	$ —	$ —	$ —	$ —
118	3	35	23,417	22	—
130	55	270	170	155	25
248	58	305	23,587	177	25
—	—	—	54,092	—	—
—	—	—	—	—	—
286	12	131	—	151	3
—	—	—	—	—	—
286	12	131	54,092	151	3
$ 534	**$ 70**	**$ 436**	**$ 77,679**	**$ 328**	**$ 28**

(continued)

STATE OF OHIO
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)
(continued)

	LOCAL INFRASTRUCTURE IMPROVEMENTS GENERAL OBLIGATIONS	HIGHER EDUCATION FACILITIES SPECIAL OBLIGATIONS	MENTAL HEALTH FACILITIES SPECIAL OBLIGATIONS
ASSETS			
Cash Equity with Treasurer	$ 162	$ —	$ —
Cash and Cash Equivalents	—	231	91
Investments	—	1,150	36
Collateral on Lent Securities	64	—	—
Receivables:			
Loans, Net	—	2,571	—
Other	1	—	—
Due from Other Funds	—	—	—
TOTAL ASSETS	**$ 227**	**$ 3,952**	**$ 127**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Liabilities	$ —	$ 82	$ —
Obligations Under Securities Lending	64	—	—
Refund and Other Liabilities	—	—	—
Total Liabilities	64	82	—
Fund Balances:			
Reserved for:			
Debt Service	163	1,164	52
Noncurrent Portion of Loans Receivable	—	2,571	—
Other:			
Assets in Excess of Debt Service Requirements	—	135	75
Unreserved/Undesignated (Deficits)	—	—	—
Total Fund Balances	163	3,870	127
TOTAL LIABILITIES AND FUND BALANCES	**$ 227**	**$ 3,952**	**$ 127**

PARKS AND RECREATION FACILITIES SPECIAL OBLIGATIONS	STATE PROJECTS GENERAL OBLIGATIONS	SCHOOL BUILDING PROGRAM SPECIAL OBLIGATIONS	HIGHWAY CAPITAL IMPROVEMENTS GENERAL OBLIGATIONS	INFRASTRUCTURE BANK REVENUE BONDS	HIGHER EDUCATION CAPITAL FACILITIES GENERAL OBLIGATIONS
$ —	$ 46	$ —	$ 5,402	$ —	$ 42
47	—	—	—	—	—
5	—	451	—	182	—
—	19	85	2,169	—	17
—	—	—	—	—	—
—	—	—	14	—	—
—	—	—	10	—	—
$ 52	**$ 65**	**$ 536**	**$ 7,595**	**$ 182**	**$ 59**
$ 3	$ —	$ —	$ 944	$ —	$ 515
—	19	85	2,169	—	17
—	—	—	—	—	—
3	19	85	3,113	—	532
5	46	451	4,482	182	—
—	—	—	—	—	—
44	—	—	—	—	—
—	—	—	—	—	(473)
49	46	451	4,482	182	(473)
$ 52	**$ 65**	**$ 536**	**$ 7,595**	**$ 182**	**$ 59**

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)
(continued)

	COMMON SCHOOLS CAPITAL FACILITIES GENERAL OBLIGATIONS	OHIO BUILDING AUTHORITY SPECIAL OBLIGATIONS	TOTAL
ASSETS			
Cash Equity with Treasurer	$ 33	$ —	$ 59,696
Cash and Cash Equivalents	—	8	1,605
Investments	—	48,567	56,706
Collateral on Lent Securities	14	—	26,995
Receivables:			
Loans, Net	—	—	2,571
Other	—	511	696
Due from Other Funds	—	—	130
TOTAL ASSETS	**$ 47**	**$ 49,086**	**$ 148,399**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accrued Liabilities	$ —	$ 1,032	$ 2,576
Obligations Under Securities Lending	14	—	26,995
Refund and Other Liabilities	—	—	805
Total Liabilities	14	1,032	30,376
Fund Balances:			
Reserved for:			
Debt Service	33	48,054	115,088
Noncurrent Portion of Loans Receivable	—	—	2,571
Other:			
Assets in Excess of Debt Service Requirements	—	—	837
Unreserved/Undesignated (Deficits)	—	—	(473)
Total Fund Balances	33	48,054	118,023
TOTAL LIABILITIES AND FUND BALANCES	**$ 47**	**$ 49,086**	**$ 148,399**

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STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	ECONOMIC DEVELOPMENT REVENUE BONDS	TRANSPORTATION CERTIFICATES OF PARTICIPATION	COAL RESEARCH/ DEVELOPMENT GENERAL OBLIGATIONS
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Licenses, Permits and Fees	—	—	—
Investment Income	307	68	17
Other	—	696	—
TOTAL REVENUES	**307**	**764**	**17**
EXPENDITURES:			
DEBT SERVICE	16,132	764	7,244
TOTAL EXPENDITURES	**16,132**	**764**	**7,244**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(15,825)**	—	**(7,227)**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Refunding Bond Proceeds	—	—	—
Payment to Refunded Bond Escrow Agents	—	—	—
Operating Transfers-in	15,818	—	7,226
Operating Transfers-out	—	—	(20)
TOTAL OTHER FINANCING SOURCES (USES)	**15,818**	—	**7,206**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**(7)**	—	**(21)**
FUND BALANCES, JULY 1	5,374	948	70
Residual Equity Transfers-out	—	—	—
FUND BALANCES (DEFICITS), JUNE 30	**$ 5,367**	**$ 948**	**$ 49**

IMPROVEMENTS GENERAL OBLIGATIONS	HIGHWAY IMPROVEMENTS GENERAL OBLIGATIONS	DEVELOPMENT GENERAL OBLIGATIONS	HIGHWAY GENERAL OBLIGATIONS	PUBLIC IMPROVEMENTS GENERAL OBLIGATIONS	VIETNAM CONFLICT COMPENSATION GENERAL OBLIGATIONS
$ —	$ —	$ —	$ 29,013	$ —	$ —
—	—	—	15,131	—	—
22	6	8	5,555	6	—
—	—	—	—	—	—
22	**6**	**8**	**49,699**	**6**	**—**
—	—	—	51,636	—	—
—	—	—	**51,636**	—	—
22	**6**	**8**	**(1,937)**	**6**	**—**
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
—	—	(9)	(35)	(9)	—
—	—	**(9)**	**(35)**	**(9)**	—
22	**6**	**(1)**	**(1,972)**	**(3)**	**—**
264	6	132	56,064	154	3
—	—	—	—	—	—
$ 286	**$ 12**	**$ 131**	**$ 54,092**	**$ 151**	**$ 3**

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	LOCAL INFRASTRUCTURE IMPROVEMENTS GENERAL OBLIGATIONS	HIGHER EDUCATION FACILITIES SPECIAL OBLIGATIONS	MENTAL HEALTH FACILITIES SPECIAL OBLIGATIONS
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Licenses, Permits and Fees	—	—	—
Investment Income	171	69	21
Other	—	209	123
TOTAL REVENUES	**171**	**278**	**144**
EXPENDITURES:			
DEBT SERVICE	132,042	331,630	55,891
TOTAL EXPENDITURES	**132,042**	**331,630**	**55,891**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(131,871)**	**(331,352)**	**(55,747)**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Refunding Bond Proceeds	—	424,499	59,289
Payment to Refunded Bond Escrow Agents	—	(420,264)	(58,709)
Operating Transfers-in	132,095	325,135	55,131
Operating Transfers-out	(67)	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**132,028**	**329,370**	**55,711**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**157**	**(1,982)**	**(36)**
FUND BALANCES, JULY 1	6	5,852	163
Residual Equity Transfers-out	—	—	—
FUND BALANCES (DEFICITS), JUNE 30	**$ 163**	**$ 3,870**	**$ 127**

PARKS AND RECREATION FACILITIES SPECIAL OBLIGATIONS	STATE PROJECTS GENERAL OBLIGATIONS	SCHOOL BUILDING PROGRAM SPECIAL OBLIGATIONS	HIGHWAY CAPITAL IMPROVEMENTS GENERAL OBLIGATIONS	INFRASTRUCTURE BANK REVENUE BONDS	HIGHER EDUCATION CAPITAL FACILITIES GENERAL OBLIGATIONS
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
31	17	28	4,946	177	37
60	—	—	—	—	—
91	**17**	**28**	**4,946**	**177**	**37**
12,735	15,532	41,784	113,652	11,431	33,498
12,735	**15,532**	**41,784**	**113,652**	**11,431**	**33,498**
(12,644)	**(15,515)**	**(41,756)**	**(108,706)**	**(11,254)**	**(33,461)**
105	—	—	—	—	5,125
20,998	—	—	—	—	—
(20,777)	—	—	—	—	—
11,844	15,517	41,707	111,528	11,277	27,968
—	(51)	—	(39)	—	(113)
12,170	**15,466**	**41,707**	**111,489**	**11,277**	**32,980**
(474)	**(49)**	**(49)**	**2,783**	**23**	**(481)**
523	95	500	1,699	159	8
—	—	—	—	—	—
$ 49	**$ 46**	**$ 451**	**$ 4,482**	**$ 182**	**$ (473)**

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	COMMON SCHOOLS CAPITAL FACILITIES GENERAL OBLIGATIONS	OHIO BUILDING AUTHORITY SPECIAL OBLIGATIONS	ENTERPRISE REVENUE BONDS
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Licenses, Permits and Fees	—	—	—
Investment Income	21	3,077	2,112
Other	—	—	—
TOTAL REVENUES	**21**	**3,077**	**2,112**
EXPENDITURES:			
DEBT SERVICE	27,801	281,026	1,393
TOTAL EXPENDITURES	**27,801**	**281,026**	**1,393**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(27,780)**	**(277,949)**	**719**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Refunding Bond Proceeds	—	—	—
Payment to Refunded Bond Escrow Agents	—	—	—
Operating Transfers-in	27,893	279,839	—
Operating Transfers-out	(85)	(4,209)	(8,340)
TOTAL OTHER FINANCING SOURCES (USES)	**27,808**	**275,630**	**(8,340)**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**28**	**(2,319)**	**(7,621)**
FUND BALANCES, JULY 1	5	50,373	31,564
Residual Equity Transfers-out	—	—	(23,943)
FUND BALANCES (DEFICITS), JUNE 30	**$ 33**	**$ 48,054**	**$ —**

TOTAL
$ 29,013
15,131
16,696
1,088
61,928
1,134,191
1,134,191
(1,072,263)
5,230
504,786
(499,750)
1,062,978
(12,977)
1,060,267
(11,996)
153,962
(23,943)
$ 118,023

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	COAL RESEARCH / DEVELOPMENT GENERAL OBLIGATIONS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Licenses, Permits and Fees	—	—	—
Investment Income	12	12	—
Other	7,227	7,227	—
TOTAL REVENUES	**7,239**	**7,239**	**—**
BUDGETARY EXPENDITURES:			
DEBT SERVICE	7,760	7,267	493
TOTAL BUDGETARY EXPENDITURES	**7,760**	**7,267**	**493**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(521)**	**(28)**	**493**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**—**	**—**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(521)**	**(28)**	**493**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1	76	76	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (445)**	**$ 48**	**$ 493**

IMPROVEMENTS GENERAL OBLIGATIONS			HIGHWAY IMPROVEMENTS GENERAL OBLIGATIONS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
17	17	—	5	5	—
—	—	—	—	—	—
17	**17**	**—**	**5**	**5**	**—**
—	—	—	—	—	—
—	—	—	—	—	—
17	**17**	**—**	**5**	**5**	**—**
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
17	**17**	**—**	**5**	**5**	**—**
250	250	—	1	1	—
$ 267	**$ 267**	**$ —**	**$ 6**	**$ 6**	**$ —**

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	DEVELOPMENT GENERAL OBLIGATIONS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Licenses, Permits and Fees	—	—	—
Investment Income	5	5	—
Other	—	—	—
TOTAL REVENUES	**5**	**5**	**—**
BUDGETARY EXPENDITURES:			
DEBT SERVICE	9	9	—
TOTAL BUDGETARY EXPENDITURES	**9**	**9**	**—**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(4)**	**(4)**	**—**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**—**	**—**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(4)**	**(4)**	**—**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1	83	83	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ 79**	**$ 79**	**$ —**

HIGHWAY GENERAL OBLIGATIONS			PUBLIC IMPROVEMENTS GENERAL OBLIGATIONS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 29,013	$ 29,013	$ —	$ —	$ —	$ —
15,131	15,131	—	—	—	—
4,078	4,078	—	4	4	—
—	—	—	—	—	—
48,222	**48,222**	**—**	**4**	**4**	**—**
51,686	51,671	15	9	9	—
51,686	**51,671**	**15**	**9**	**9**	**—**
(3,464)	**(3,449)**	**15**	**(5)**	**(5)**	**—**
—	—	—	—	—	—
—	—	—	—	—	—
—	**—**	**—**	**—**	**—**	**—**
(3,464)	**(3,449)**	**15**	**(5)**	**(5)**	**—**
56,492	56,492	—	55	55	—
$ 53,028	**$ 53,043**	**$ 15**	**$ 50**	**$ 50**	**$ —**

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	LOCAL INFRASTRUCTURE IMPROVEMENTS GENERAL OBLIGATIONS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Licenses, Permits and Fees	—	—	—
Investment Income	130	130	—
Other	132,095	132,095	—
TOTAL REVENUES	**132,225**	**132,225**	**—**
BUDGETARY EXPENDITURES:			
DEBT SERVICE	134,062	132,658	1,404
TOTAL BUDGETARY EXPENDITURES	**134,062**	**132,658**	**1,404**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(1,837)**	**(433)**	**1,404**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	549	549	—
Operating Transfers-in	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**549**	**549**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(1,288)**	**116**	**1,404**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1	29	29	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (1,259)**	**$ 145**	**$ 1,404**

STATE PROJECTS GENERAL OBLIGATIONS			HIGHWAY CAPITAL IMPROVEMENTS GENERAL OBLIGATIONS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
15	15	—	3,797	3,797	—
15,517	15,517	—	—	—	—
15,532	**15,532**	**—**	**3,797**	**3,797**	**—**
15,711	15,697	14	113,839	113,757	82
15,711	**15,697**	**14**	**113,839**	**113,757**	**82**
(179)	**(165)**	**14**	**(110,042)**	**(109,960)**	**82**
—	—	—	944	944	—
—	—	—	111,528	111,528	—
—	**—**	**—**	**112,472**	**112,472**	**—**
(179)	**(165)**	**14**	**2,430**	**2,512**	**82**
209	209	—	2,400	2,400	—
$ 30	**$ 44**	**$ 14**	**$ 4,830**	**$ 4,912**	**$ 82**

(continued)

STATE OF OHIO

DEBT SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	HIGHER EDUCATION CAPITAL FACILITIES GENERAL OBLIGATIONS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Motor Vehicle Fuel Taxes	$ —	$ —	$ —
Licenses, Permits and Fees	—	—	—
Investment Income	32	32	—
Other	27,968	27,968	—
TOTAL REVENUES	**28,000**	**28,000**	**—**
BUDGETARY EXPENDITURES:			
DEBT SERVICE	40,374	34,100	6,274
TOTAL BUDGETARY EXPENDITURES	**40,374**	**34,100**	**6,274**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(12,374)**	**(6,100)**	**6,274**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	5,640	5,640	—
Operating Transfers-in	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**5,640**	**5,640**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(6,734)**	**(460)**	**6,274**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1	499	499	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (6,235)**	**$ 39**	**$ 6,274**

COMMON SCHOOLS CAPITAL FACILITIES GENERAL OBLIGATIONS			TOTAL DEBT SERVICE		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ —	$ —	$ —	$ 29,013	$ 29,013	$ —
—	—	—	15,131	15,131	—
15	15	—	8,110	8,110	—
27,893	27,893	—	210,700	210,700	—
27,908	**27,908**	**—**	**262,954**	**262,954**	**—**
28,550	28,095	455	392,000	383,263	8,737
28,550	**28,095**	**455**	**392,000**	**383,263**	**8,737**
(642)	**(187)**	**455**	**(129,046)**	**(120,309)**	**8,737**
209	209	—	7,342	7,342	—
—	—	—	111,528	111,528	—
209	**209**	**—**	**118,870**	**118,870**	**—**
(433)	**22**	**455**	**(10,176)**	**(1,439)**	**8,737**
9	9	—	60,103	60,103	—
$ (424)	**$ 31**	**$ 455**	**$ 49,927**	**$ 58,664**	**$ 8,737**

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CAPITAL PROJECTS FUNDS

The **Capital Projects Funds** account for the acquisition and construction of major capital facilities and for major repairs and replacements other than those financed by proprietary funds and trust funds.

The **Infrastructure Bank Obligations Fund** accounts for bond proceeds that finance the Spring-Sandusky Highway Project in Columbus.

The **Higher Education Improvements Fund** accounts for bond proceeds that finance the construction of facilities for state-assisted higher education institutions.

The **Mental Health/Mental Retardation Facilities Improvements Fund** accounts for bond proceeds that finance the construction of mental health/mental retardation facilities.

The **Parks and Recreation Improvements Fund** accounts for bond proceeds that finance the capital improvement of parks and recreation facilities.

The **Ohio Building Authority Fund** accounts for bond proceeds that finance the construction of state office buildings and rehabilitation and correctional facilities.

The **Administrative Services Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Administrative Services.

The **Youth Services Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Youth Services.

The **Transportation Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Transportation.

The **Adult Correctional Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Rehabilitation and Correction.

The **Highway Safety Building Improvements Fund** accounts for bond proceeds that finance capital improvements for the Department of Public Safety.

The **Ohio Parks and Natural Resources Fund** accounts for bond proceeds that finance capital improvements for state and local parks and other natural resources-related projects.

The **Highway Capital Improvement Fund** accounts for bond proceeds that finance capital improvements to the state highway system.

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)

	INFRASTRUCTURE BANK OBLIGATIONS	HIGHER EDUCATION IMPROVEMENTS	MENTAL HEALTH/ MENTAL RETARDATION FACILITIES IMPROVEMENTS
ASSETS			
Cash Equity with Treasurer	$ 10,817	$ 97,015	$ 6,504
Investments	—	—	—
Collateral on Lent Securities	4,754	42,591	2,802
Receivables:			
Other	34	316	20
Due from Other Funds	24	223	14
TOTAL ASSETS	**$ 15,629**	**$ 140,145**	**$ 9,340**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 1,561	$ 35,548	$ 2,623
Obligations Under Securities Lending	4,754	42,591	2,802
Due to Other Funds	—	—	—
Advances from Other Funds	20,000	—	—
Total Liabilities	26,315	78,139	5,425
Fund Balances:			
Reserved for:			
Encumbrances	34,279	204,341	24,530
Other:			
Loan Commitments	—	521	—
Unreserved/Undesignated (Deficits)	(44,965)	(142,856)	(20,615)
Total Fund Balances	(10,686)	62,006	3,915
TOTAL LIABILITIES AND FUND BALANCES	**$ 15,629**	**$ 140,145**	**$ 9,340**

PARKS AND RECREATION IMPROVEMENTS	OHIO BUILDING AUTHORITY	ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS	YOUTH SERVICES BUILDING IMPROVEMENTS	TRANSPORTATION BUILDING IMPROVEMENTS	ADULT CORRECTIONAL BUILDING IMPROVEMENTS
$ 20,588	$ —	$ 115,932	$ 37,139	$ 241	$ 76,837
—	10,286	—	—	—	—
9,037	—	51,022	16,311	105	33,648
65	42	376	117	1	244
46	—	266	83	1	172
$ 29,736	**$ 10,328**	**$ 167,596**	**$ 53,650**	**$ 348**	**$ 110,901**
$ 951	$ 243	$ 3,983	$ 1,765	$ —	$ 3,544
9,037	—	51,022	16,311	105	33,648
—	—	—	22	—	14
—	—	—	—	—	—
9,988	243	55,005	18,098	105	37,206
20,568	—	69,005	20,176	542	54,483
—	—	—	—	—	—
(820)	10,085	43,586	15,376	(299)	19,212
19,748	10,085	112,591	35,552	243	73,695
$ 29,736	**$ 10,328**	**$ 167,596**	**$ 53,650**	**$ 348**	**$ 110,901**

(continued)

STATE OF OHIO
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)
(continued)

	HIGHWAY SAFETY BUILDING IMPROVEMENTS	OHIO PARKS AND NATURAL RESOURCES	HIGHWAY CAPITAL IMPROVEMENT
ASSETS			
Cash Equity with Treasurer	$ 23,542	$ 10,544	$ 205,905
Investments	—	—	—
Collateral on Lent Securities	10,359	4,591	90,443
Receivables:			
Other	75	33	651
Due from Other Funds	53	24	460
TOTAL ASSETS	**$ 34,029**	**$ 15,192**	**$ 297,459**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ 87	$ 2,477	$ 10,527
Obligations Under Securities Lending	10,359	4,591	90,443
Due to Other Funds	—	—	164
Advances from Other Funds	—	—	—
Total Liabilities	10,446	7,068	101,134
Fund Balances:			
Reserved for:			
Encumbrances	11,134	28,878	161,521
Other:			
Loan Commitments	—	—	—
Unreserved/Undesignated (Deficits)	12,449	(20,754)	34,804
Total Fund Balances	23,583	8,124	196,325
TOTAL LIABILITIES AND FUND BALANCES	**$ 34,029**	**$ 15,192**	**$ 297,459**

	TOTAL
$	605,064
	10,286
	265,663
	1,974
	1,366
$	**884,353**
$	63,309
	265,663
	200
	20,000
	349,172
	629,457
	521
	(94,797)
	535,181
$	**884,353**

STATE OF OHIO

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	INFRASTRUCTURE BANK OBLIGATIONS	HIGHER EDUCATION IMPROVEMENTS	MENTAL HEALTH/ MENTAL RETARDATION FACILITIES IMPROVEMENTS
REVENUES:			
Investment Income	$ 727	$ 7,468	$ 1,614
Other	—	17	1
TOTAL REVENUES	**727**	**7,485**	**1,615**
EXPENDITURES:			
CURRENT:			
Higher Education Support	—	53,272	—
CAPITAL OUTLAY	24,105	—	30,044
DEBT SERVICE	—	—	—
TOTAL EXPENDITURES	**24,105**	**53,272**	**30,044**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(23,378)**	**(45,787)**	**(28,429)**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	302,827	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	(587)	—
Operating Transfers to Component Units	—	(248,134)	—
TOTAL OTHER FINANCING SOURCES (USES)	—	**54,106**	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**(23,378)**	**8,319**	**(28,429)**
FUND BALANCES, JULY 1 (as restated)	12,692	53,687	32,344
Residual Equity Transfers-out	—	—	—
FUND BALANCES (DEFICITS), JUNE 30	**$ (10,686)**	**$ 62,006**	**$ 3,915**

PARKS AND RECREATION IMPROVEMENTS	OHIO BUILDING AUTHORITY	ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS	YOUTH SERVICES BUILDING IMPROVEMENTS	TRANSPORTATION BUILDING IMPROVEMENTS	ADULT CORRECTIONAL BUILDING IMPROVEMENTS
$ 1,089	$ 388	$ 4,222	$ 2,147	$ 39	$ 6,732
79	—	—	1	—	2,796
1,168	**388**	**4,222**	**2,148**	**39**	**9,528**
—	—	—	—	—	—
14,794	4,270	47,213	23,848	12	54,022
1,070	—	—	—	—	—
15,864	**4,270**	**47,213**	**23,848**	**12**	**54,022**
(14,696)	**(3,882)**	**(42,991)**	**(21,700)**	**27**	**(44,494)**
25,147	239,541	—	—	—	—
—	7,126	124,067	41,041	—	—
—	(239,887)	(7,126)	—	—	—
—	—	—	—	—	—
25,147	**6,780**	**116,941**	**41,041**	—	—
10,451	**2,898**	**73,950**	**19,341**	**27**	**(44,494)**
9,297	7,187	40,809	16,211	216	118,189
—	—	(2,168)	—	—	—
$ 19,748	**$ 10,085**	**$ 112,591**	**$ 35,552**	**$ 243**	**$ 73,695**

(continued)

STATE OF OHIO

CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	HIGHWAY SAFETY BUILDING IMPROVEMENTS	OHIO PARKS AND NATURAL RESOURCES	HIGHWAY CAPITAL IMPROVEMENT
REVENUES:			
Investment Income	$ 771	$ 1,589	$ 11,409
Other	525	64	3,492
TOTAL REVENUES	**1,296**	**1,653**	**14,901**
EXPENDITURES:			
CURRENT:			
Higher Education Support	—	—	—
CAPITAL OUTLAY	2,612	23,259	173,002
DEBT SERVICE	—	—	—
TOTAL EXPENDITURES	**2,612**	**23,259**	**173,002**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(1,316)**	**(21,606)**	**(158,101)**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	208,115
Operating Transfers-in	20,004	—	—
Operating Transfers-out	—	—	—
Operating Transfers to Component Units	—	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**20,004**	—	**208,115**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**18,688**	**(21,606)**	**50,014**
FUND BALANCES, JULY 1 (as restated)	4,895	29,730	146,311
Residual Equity Transfers-out	—	—	—
FUND BALANCES (DEFICITS), JUNE 30	**$ 23,583**	**$ 8,124**	**$ 196,325**

TOTAL
$ 38,195
6,975
45,170
53,272
397,181
1,070
451,523
(406,353)
775,630
192,238
(247,600)
(248,134)
472,134
65,781
471,568
(2,168)
$ 535,181

STATE OF OHIO

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	INFRASTRUCTURE BANK OBLIGATIONS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Investment Income	$ 414	$ 414	$ —
Other	—	—	—
TOTAL REVENUES	**414**	**414**	**—**
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	38,131	38,098	33
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**38,131**	**38,098**	**33**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(37,717)**	**(37,684)**	**33**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	20,000	20,000	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	170	170	—
TOTAL OTHER FINANCING SOURCES (USES)	**20,170**	**20,170**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(17,547)**	**(17,514)**	**33**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	(7,550)	(7,550)	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (25,097)**	**$ (25,064)**	**$ 33**

HIGHER EDUCATION IMPROVEMENTS			MENTAL HEALTH/MENTAL RETARDATION FACILITIES IMPROVEMENTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 4,232	$ 4,232	$ —	$ 1,264	$ 1,264	$ —
19	19	—	1	1	—
4,251	**4,251**	**—**	**1,265**	**1,265**	**—**
982,338	376,097	606,241	145,121	28,986	116,135
—	—	—	—	—	—
982,338	**376,097**	**606,241**	**145,121**	**28,986**	**116,135**
(978,087)	**(371,846)**	**606,241**	**(143,856)**	**(27,721)**	**116,135**
302,827	302,827	—	—	—	—
15,537	15,537	—	—	—	—
(15,537)	(15,537)	—	—	—	—
373	373	—	245	245	—
303,200	**303,200**	**—**	**245**	**245**	**—**
(674,887)	**(68,646)**	**606,241**	**(143,611)**	**(27,476)**	**116,135**
(72,810)	(72,810)	—	7,098	7,098	—
$ (747,697)	**$ (141,456)**	**$ 606,241**	**$ (136,513)**	**$ (20,378)**	**$ 116,135**

(continued)

STATE OF OHIO

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	PARKS AND RECREATION IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Investment Income	$ 876	$ 876	$ —
Other	79	79	—
TOTAL REVENUES	**955**	**955**	**—**
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	67,850	16,748	51,102
DEBT SERVICE	1,070	1,070	—
TOTAL BUDGETARY EXPENDITURES	**68,920**	**17,818**	**51,102**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(67,965)**	**(16,863)**	**51,102**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	25,147	25,147	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	33	33	—
TOTAL OTHER FINANCING SOURCES (USES)	**25,180**	**25,180**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(42,785)**	**8,317**	**51,102**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	(9,365)	(9,365)	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (52,150)**	**$ (1,048)**	**$ 51,102**

	ADMINISTRATIVE SERVICES BUILDING IMPROVEMENTS			YOUTH SERVICES BUILDING IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
	$ 2,446	$ 2,446	$ —	$ 1,437	$ 1,437	$ —
	—	—	—	1	1	—
	2,446	**2,446**	**—**	**1,438**	**1,438**	**—**
	387,850	88,314	299,536	66,739	13,700	53,039
	—	—	—	—	—	—
	387,850	**88,314**	**299,536**	**66,739**	**13,700**	**53,039**
	(385,404)	**(85,868)**	**299,536**	**(65,301)**	**(12,262)**	**53,039**
	124,067	124,067	—	41,041	41,041	—
	—	—	—	—	—	—
	—	—	—	—	—	—
	371	371	—	12	12	—
	124,438	**124,438**	**—**	**41,053**	**41,053**	**—**
	(260,966)	**38,570**	**299,536**	**(24,248)**	**28,791**	**53,039**
	4,129	4,129	—	(13,807)	(13,807)	—
	$ (256,837)	**$ 42,699**	**$ 299,536**	**$ (38,055)**	**$ 14,984**	**$ 53,039**

(continued)

STATE OF OHIO

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	TRANSPORTATION BUILDING IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Investment Income	$ 15	$ 15	$ —
Other	—	—	—
TOTAL REVENUES	**15**	**15**	**—**
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	—	—	—
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**—**	**—**	**—**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**15**	**15**	**—**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	2,281	2,281	—
TOTAL OTHER FINANCING SOURCES (USES)	**2,281**	**2,281**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**2,296**	**2,296**	**—**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	(2,599)	(2,599)	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (303)**	**$ (303)**	**$ —**

ADULT CORRECTIONAL BUILDING IMPROVEMENTS			HIGHWAY SAFETY BUILDING IMPROVEMENTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 4,958	$ 4,958	$ —	$ 508	$ 508	$ —
1,296	1,296	—	525	525	—
6,254	**6,254**	**—**	**1,033**	**1,033**	**—**
289,274	59,420	229,854	35,685	9,845	25,840
—	—	—	—	—	—
289,274	**59,420**	**229,854**	**35,685**	**9,845**	**25,840**
(283,020)	**(53,166)**	**229,854**	**(34,652)**	**(8,812)**	**25,840**
1,500	1,500	—	20,004	20,004	—
—	—	—	—	—	—
—	—	—	—	—	—
341	341	—	753	753	—
1,841	**1,841**	**—**	**20,757**	**20,757**	**—**
(281,179)	**(51,325)**	**229,854**	**(13,895)**	**11,945**	**25,840**
69,516	69,516	—	300	300	—
$ (211,663)	**$ 18,191**	**$ 229,854**	**$ (13,595)**	**$ 12,245**	**$ 25,840**

(continued)

STATE OF OHIO

CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	OHIO PARKS AND NATURAL RESOURCES		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Investment Income	$ 1,137	$ 1,137	$ —
Other	65	65	—
TOTAL REVENUES	**1,202**	**1,202**	**—**
BUDGETARY EXPENDITURES:			
CAPITAL OUTLAY	126,413	35,440	90,973
DEBT SERVICE	—	—	—
TOTAL BUDGETARY EXPENDITURES	**126,413**	**35,440**	**90,973**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) BUDGETARY EXPENDITURES	**(125,211)**	**(34,238)**	**90,973**
OTHER FINANCING SOURCES (USES):			
Bond Proceeds	—	—	—
Operating Transfers-in	—	—	—
Operating Transfers-out	—	—	—
Encumbrance Reversions	218	218	—
TOTAL OTHER FINANCING SOURCES (USES)	**218**	**218**	**—**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) BUDGETARY EXPENDITURES AND OTHER FINANCING USES	**(124,993)**	**(34,020)**	**90,973**
BUDGETARY FUND BALANCES (DEFICITS), JULY 1 (as restated)	13,067	13,067	—
BUDGETARY FUND BALANCES (DEFICITS), JUNE 30	**$ (111,926)**	**$ (20,953)**	**$ 90,973**

HIGHWAY CAPITAL IMPROVEMENT			TOTAL CAPITAL PROJECTS		
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
$ 8,148	$ 8,148	$ —	$ 25,435	$ 25,435	$ —
3,492	3,492	—	5,478	5,478	—
11,640	**11,640**	**—**	**30,913**	**30,913**	**—**
122,720	114,416	8,304	2,262,121	781,064	1,481,057
—	—	—	1,070	1,070	—
122,720	**114,416**	**8,304**	**2,263,191**	**782,134**	**1,481,057**
(111,080)	**(102,776)**	**8,304**	**(2,232,278)**	**(751,221)**	**1,481,057**
208,115	208,115	—	722,701	722,701	—
—	—	—	35,537	35,537	—
—	—	—	(15,537)	(15,537)	—
22,842	22,842	—	27,639	27,639	—
230,957	**230,957**	**—**	**770,340**	**770,340**	**—**
119,877	**128,181**	**8,304**	**(1,461,938)**	**19,119**	**1,481,057**
(95,457)	(95,457)	—	(107,478)	(107,478)	—
$ 24,420	**$ 32,724**	**$ 8,304**	**$ (1,569,416)**	**$ (88,359)**	**$ 1,481,057**

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ENTERPRISE FUNDS

The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises — where the State's intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the State has decided that periodic determination of net income is appropriate for accountability purposes.

The **Tuition Trust Authority Fund** accounts for the operations of the Ohio Tuition Trust Authority, including the guaranteed option college savings plan backed by the State of Ohio (formerly known as the Ohio Prepaid Tuition Program).

The **Liquor Control Fund** accounts for the operations of the Department of Commerce's Division of Liquor Control.

The **Ohio Lottery Commission Fund** accounts for the operations of the Ohio Lottery Commission.

The **Workers' Compensation Fund** accounts for the operations of the Ohio Bureau of Workers' Compensation and the Ohio Industrial Commission.

The **Underground Parking Garage Fund** accounts for the operations of the statehouse underground parking garage in Columbus, Ohio.

The **Office of Auditor of State Fund** accounts for the operations of the Ohio Auditor of State.

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)

	TUITION TRUST AUTHORITY	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
ASSETS			
Current Assets:			
Cash Equity with Treasurer	$ 53	$ 9,127	$ 41,877
Cash and Cash Equivalents	243	7,367	9,381
Investments	46,204	—	—
Collateral on Lent Securities	23	4,029	18,183
Receivables:			
Premiums and Assessments	—	—	—
Investment Trade	—	—	—
Other	79	—	37,237
Due from Other Funds	—	7	—
Inventories	—	26,829	—
Other Assets	—	161	5,272
Total Current Assets	46,602	47,520	111,950
Restricted Assets:			
Cash Equity with Treasurer	—	—	19,565
Dedicated Investments	505,706	—	1,108,761
Collateral on Lent Securities	—	—	508,251
Other Receivables	—	—	5,625
Total Restricted Assets	505,706	—	1,642,202
Noncurrent Assets-Investments	—	—	—
Fixed Assets (net of accumulated depreciation)	196	2,460	5,185
TOTAL ASSETS	**$ 552,504**	**$ 49,980**	**$ 1,759,337**
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	$ 207	$ 18,927	$ 9,799
Accrued Liabilities	161	656	43
Obligations Under Securities Lending	23	4,029	18,182
Investment Trade Payable	—	—	—
Due to Other Funds	—	2,473	—
Deferred Revenue	—	—	767
Refund and Other Liabilities	9,073	1,629	20,443
Revenue Bonds	—	—	—
Total Current Liabilities	9,464	27,714	49,234
Liabilities Payable from Restricted Assets:			
Deferred Prize Awards Payable	—	—	1,067,945
Obligations Under Securities Lending	—	—	508,251
Benefits Payable	486,800	—	—
Total Liabilities Payable from Restricted Assets	486,800	—	1,576,196
Noncurrent Liabilities:			
Accrued Liabilities	—	2,400	2,301
Benefits Payable	—	—	—
Revenue Bonds	—	—	—
Total Noncurrent Liabilities	—	2,400	2,301
Total Liabilities	496,264	30,114	1,627,731
Fund Equity:			
Contributed Capital	—	—	—
Retained Earnings:			
Reserved For:			
Tuition Benefits Payable	18,906	—	—
Insurance Claims Payable	—	—	—
Deferred Lottery Prizes	—	—	66,006
Unreserved	37,334	19,866	65,600
Total Fund Equity	56,240	19,866	131,606
TOTAL LIABILITIES AND FUND EQUITY	**$ 552,504**	**$ 49,980**	**$ 1,759,337**

WORKERS' COMPENSATION	UNDERGROUND PARKING GARAGE	OFFICE OF AUDITOR OF STATE	TOTAL
$ 5,189	$ 2,072	$ 10,858	$ 69,176
1,680,942	—	—	1,697,933
—	—	—	46,204
1,972,713	907	—	1,995,855
1,138,723	—	—	1,138,723
506,890	—	—	506,890
275,226	49	8,921	321,512
—	—	1,681	1,688
—	—	—	26,829
14,452	—	—	19,885
5,594,135	3,028	21,460	5,824,695
—	—	—	19,565
—	—	—	1,614,467
—	—	—	508,251
—	—	—	5,625
—	—	—	2,147,908
17,193,974	—	—	17,193,974
170,642	7,139	7,768	193,390
$ 22,958,751	**$ 10,167**	**$ 29,228**	**$ 25,359,967**
$ 14,442	$ 146	$ 853	$ 44,374
—	42	2,635	3,537
1,972,713	907	—	1,995,854
1,538,047	—	—	1,538,047
—	—	—	2,473
428,017	4	—	428,788
1,787,167	—	74	1,818,386
9,000	—	—	9,000
5,749,386	1,099	3,562	5,840,459
—	—	—	1,067,945
—	—	—	508,251
—	—	—	486,800
—	—	—	2,062,996
19,932	113	6,227	30,973
12,504,943	—	—	12,504,943
168,472	—	—	168,472
12,693,347	113	6,227	12,704,388
18,442,733	1,212	9,789	20,607,843
—	411	—	411
—	—	—	18,906
112,342	—	—	112,342
—	—	—	66,006
4,403,676	8,544	19,439	4,554,459
4,516,018	8,955	19,439	4,752,124
$ 22,958,751	**$ 10,167**	**$ 29,228**	**$ 25,359,967**

STATE OF OHIO
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	TUITION TRUST AUTHORITY	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
OPERATING REVENUES:			
Charges for Sales and Services	$ 71,829	$ 453,416	$ 1,919,910
Premium and Assessment Income	—	—	—
Investment Income	5,623	—	174,996
Other	1	852	5,175
TOTAL OPERATING REVENUES	**77,453**	**454,268**	**2,100,081**
OPERATING EXPENSES:			
Costs of Sales and Services	—	280,204	—
Administration	5,895	46,256	98,257
Premium Dividend Credits and Rebates	—	—	—
Bonuses and Commissions	—	—	120,210
Prizes	—	—	1,112,824
Benefits and Claims	124,020	—	—
Depreciation	77	653	10,023
Other	—	623	99,850
TOTAL OPERATING EXPENSES	**129,992**	**327,736**	**1,441,164**
OPERATING INCOME (LOSS)	**(52,539)**	**126,532**	**658,917**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	—	—	—
Interest Expense	—	—	(122)
Other	—	45	(288)
TOTAL NONOPERATING REVENUES (EXPENSES)	—	**45**	**(410)**
INCOME (LOSS) BEFORE OPERATING TRANSFERS	**(52,539)**	**126,577**	**658,507**
OPERATING TRANSFERS:			
Operating Transfers-in	—	—	—
Operating Transfers-out	—	(121,261)	(637,036)
TOTAL OPERATING TRANSFERS	—	**(121,261)**	**(637,036)**
NET INCOME (LOSS) BEFORE EXTRAORDINARY ITEM	**(52,539)**	**5,316**	**21,471**
EXTRAORDINARY GAIN ON DEFERRED LOTTERY PRIZE PAYOUT OPTION	—	—	3,350
NET INCOME (LOSS)	**(52,539)**	**5,316**	**24,821**
RETAINED EARNINGS, JULY 1	108,779	14,550	106,785
RETAINED EARNINGS, JUNE 30	**$ 56,240**	**$ 19,866**	**$ 131,606**

WORKERS' COMPENSATION	UNDERGROUND PARKING GARAGE	OFFICE OF AUDITOR OF STATE	TOTAL
$ —	$ 2,633	$ 38,302	$ 2,486,090
2,021,058	—	—	2,021,058
514,570	—	—	695,189
13,599	—	—	19,627
2,549,227	**2,633**	**38,302**	**5,221,964**
—	—	58,559	338,763
57,042	1,949	9,254	218,653
1,624,921	—	—	1,624,921
—	—	—	120,210
—	—	—	1,112,824
2,498,499	—	—	2,622,519
13,685	423	3,457	28,318
280,119	—	81	380,673
4,474,266	**2,372**	**71,351**	**6,446,881**
(1,925,039)	**261**	**(33,049)**	**(1,224,917)**
—	173	—	173
—	—	(29)	(151)
(1,470)	—	(952)	(2,665)
(1,470)	**173**	**(981)**	**(2,643)**
(1,926,509)	**434**	**(34,030)**	**(1,227,560)**
—	—	36,715	36,715
(6,795)	(773)	—	(765,865)
(6,795)	**(773)**	**36,715**	**(729,150)**
(1,933,304)	**(339)**	**2,685**	**(1,956,710)**
—	—	—	3,350
(1,933,304)	**(339)**	**2,685**	**(1,953,360)**
6,449,322	8,883	16,754	6,705,073
$ 4,516,018	**$ 8,544**	**$ 19,439**	**$ 4,751,713**

STATE OF OHIO

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	TUITION TRUST AUTHORITY	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ 70,354	$ 453,518	$ 1,914,549
Cash Received from Premiums and Assessments	—	—	—
Cash Received from Quasi-External Transactions with Other Funds	—	1	113
Other Operating Cash Receipts	215	846	5,062
Cash Payments to Suppliers for Goods and Services	(1,126)	(314,232)	(77,977)
Cash Payments to Employees for Services	(2,509)	(15,870)	(20,760)
Cash Payments for Benefits and Claims	(23,640)	—	—
Cash Payments for Lottery Prizes	—	—	(1,301,844)
Cash Payments for Bonuses and Commissions	—	—	(120,268)
Cash Payments for Premium Dividend Credits and Rebates	—	—	—
Cash Payments for Quasi-External Transactions with Other Funds		(217)	(2,354)
Other Operating Cash Payments	(123)	(56)	(82)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**43,171**	**123,990**	**396,439**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers-in	—	—	—
Operating Transfers-out	—	(121,261)	(637,036)
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**—**	**(121,261)**	**(637,036)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds and Capital Leases	—	(27)	(2,224)
Interest Paid	—	—	(122)
Acquisition and Construction of Capital Assets	(50)	(419)	(1,288)
Proceeds from Sales of Fixed Assets	—	67	1,133
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(50)**	**(379)**	**(2,501)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(1,237,235)	—	(239,097)
Proceeds from the Sales and Maturities of Investments	1,173,503	—	400,998
Investment Income Received	20,839	—	56,178
Borrower Rebates and Agent Fees	—	—	(18,594)
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	**(42,893)**	**—**	**199,485**
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	**228**	**2,350**	**(43,613)**
CASH AND CASH EQUIVALENTS, JULY 1	68	14,144	114,436
CASH AND CASH EQUIVALENTS, JUNE 30	**$ 296**	**$ 16,494**	**$ 70,823**

WORKERS' COMPENSATION	UNDERGROUND PARKING GARAGE	OFFICE OF AUDITOR OF STATE	TOTAL
$ —	$ 2,049	$ 31,516	$ 2,471,986
1,453,410	—	—	1,453,410
283	586	8,204	9,187
32,248	—	36	38,407
(88,286)	(663)	(9,208)	(491,492)
(252,170)	(1,173)	(59,405)	(351,887)
(1,816,226)	—	—	(1,839,866)
—	—	—	(1,301,844)
—	—	—	(120,268)
(268,957)	—	—	(268,957)
(1,897)	(3)	(6)	(4,477)
—	(1)	(141)	(403)
(941,595)	**795**	**(29,004)**	**(406,204)**
—	—	35,852	35,852
(6,795)	(773)	—	(765,865)
(6,795)	**(773)**	**35,852**	**(730,013)**
(8,000)	—	(649)	(10,900)
(8,915)	—	(23)	(9,060)
(3,262)	(452)	(4,968)	(10,439)
—	—	64	1,264
(20,177)	**(452)**	**(5,576)**	**(29,135)**
(38,071,074)	—	—	(39,547,406)
38,104,594	—	—	39,679,095
1,041,894	184	—	1,119,095
(154,738)	—	—	(173,332)
920,676	**184**	**—**	**1,077,452**
(47,891)	**(246)**	**1,272**	**(87,900)**
1,734,022	2,318	9,586	1,874,574
$ 1,686,131	**$ 2,072**	**$ 10,858**	**$ 1,786,674**

(continued)

STATE OF OHIO

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)
(continued)

	TUITION TRUST AUTHORITY	LIQUOR CONTROL	OHIO LOTTERY COMMISSION
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	$ (52,539)	$ 126,532	$ 658,917
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Investment Income	(5,623)	—	(174,996)
Borrower Rebates and Agent Fees	—	—	18,594
Depreciation	77	653	10,023
Provision for Uncollectible Accounts	—	—	—
Amortization of Premiums and Discounts	—	—	81,174
Interest on Bonds, Notes and Capital Leases	—	—	—
Decrease (Increase) in Assets:			
Premiums and Assessments Receivable	—	—	—
Other Receivables	(78)	—	(3,762)
Due from Other Funds	—	(2)	—
Inventories	—	(1,061)	—
Other Assets	—	(16)	(860)
Increase (Decrease) in Liabilities:			
Accounts Payable	112	(2,240)	(2,213)
Accrued Liabilities	7	17	230
Due to Other Funds	—	(6)	—
Deferred Revenue	—	—	(1,599)
Benefits Payable	—	—	—
Refund and Other Liabilities	115	113	172
Liabilities Payable from Restricted Assets	101,100	—	(189,241)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**$ 43,171**	**$ 123,990**	**$ 396,439**
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments	$ (12,230)	$ —	$ 70,133
Extraordinary Gain on Deferred Lottery Prize Payout Option	—	—	3,350

WORKERS' COMPENSATION	UNDERGROUND PARKING GARAGE	OFFICE OF AUDITOR OF STATE	TOTAL
$ (1,925,039)	$ 261	$ (33,049)	$ (1,224,917)
(514,570)	—	—	(695,189)
154,738	—	—	173,332
13,685	423	3,457	28,318
65,454	—	(36)	65,418
317	—	—	81,491
8,915	—	—	8,915
1,408,385	—	—	1,408,385
(59,586)	(6)	1,032	(62,400)
—	—	—	(2)
—	—	—	(1,061)
2,244	—	—	1,368
8,605	129	(259)	4,134
—	(16)	(74)	164
—	4	—	(2)
(7,824)	—	—	(9,423)
460,032	—	—	460,032
(556,951)	—	(75)	(556,626)
—	—	—	(88,141)
$ (941,595)	**$ 795**	**$ (29,004)**	**$ (406,204)**
$ (525,055)	$ —	$ —	$ (467,152)
—	—	—	3,350

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INTERNAL SERVICE FUNDS

The **Internal Service Funds** account for the financing of goods or services provided by a state department or agency to other agencies and to other government units, on a cost-reimbursement basis.

The **Ohio Building Authority Fund** accounts for the revenues and operating expenses of state office buildings and other government buildings owned by the Ohio Building Authority.

The **Information Technology Fund** accounts for the revenues and expenses associated with electronic data-processing and telecommunications services provided to state agencies and to local governments.

The **Ohio Penal Industries Fund** accounts for the revenues and expenses associated with the purchase of raw materials and labor costs incurred in the production of manufactured goods sold to state agencies.

The **Support Services Fund** accounts for the revenues and expenses associated with the purchase of food, medical, and other institutional supplies and the costs of services provided to state agencies.

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)

	OHIO BUILDING AUTHORITY	INFORMATION TECHNOLOGY	OHIO PENAL INDUSTRIES
ASSETS			
Current Assets:			
Cash Equity with Treasurer	$ —	$ 29,095	$ 22,840
Cash and Cash Equivalents	235	—	—
Investments	1,626	—	—
Collateral on Lent Securities	—	12,808	10,083
Receivables:			
Intergovernmental	—	56	425
Other	4,293	2,583	607
Due from Other Funds	—	14,163	17,670
Inventories	—	148	9,950
Other Assets	437	—	—
Total Current Assets	6,591	58,853	61,575
Restricted Assets:			
Investments	38,667	—	—
Total Restricted Assets	38,667	—	—
Noncurrent Assets:			
Other Receivables	19,727	—	—
Total Noncurrent Assets	19,727	—	—
Fixed Assets (net of accumulated depreciation)	—	19,641	3,626
TOTAL ASSETS	**$ 64,985**	**$ 78,494**	**$ 65,201**
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	$ 12,787	$ 4,788	$ 3,953
Accrued Liabilities	412	826	1,774
Obligations Under Securities Lending	—	12,808	10,083
Due to Other Funds	—	2,828	1,159
Deferred Revenue	243	—	—
Revenue Bonds	3,359	—	—
Total Current Liabilities	16,801	21,250	16,969
Noncurrent Liabilities:			
Accrued Liabilities	—	2,441	4,371
Revenue Bonds	22,287	—	—
Total Noncurrent Liabilities	22,287	2,441	4,371
Total Liabilities	39,088	23,691	21,340
Fund Equity:			
Contributed Capital	—	55,908	1,762
Retained Earnings:			
Unreserved (Deficits)	25,897	(1,105)	42,099
Total Fund Equity	25,897	54,803	43,861
TOTAL LIABILITIES AND FUND EQUITY	**$ 64,985**	**$ 78,494**	**$ 65,201**

SUPPORT SERVICES	TOTAL
$ 3,270	$ 55,205
—	235
—	1,626
1,444	24,335
1,726	2,207
—	7,483
5,070	36,903
8,705	18,803
—	437
20,215	147,234
—	38,667
—	38,667
—	19,727
—	19,727
2,743	26,010
$ 22,958	**$ 231,638**

$ 6,349	$ 27,877
184	3,196
1,444	24,335
38	4,025
—	243
—	3,359
8,015	63,035
598	7,410
—	22,287
598	29,697
8,613	92,732
5,562	63,232
8,783	75,674
14,345	138,906
$ 22,958	**$ 231,638**

STATE OF OHIO

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	OHIO BUILDING AUTHORITY	INFORMATION TECHNOLOGY	OHIO PENAL INDUSTRIES
OPERATING REVENUES:			
Charges for Sales and Services	$ 26,600	$ 84,502	$ 112,801
Other	2,672	1,534	—
TOTAL OPERATING REVENUES	**29,272**	**86,036**	**112,801**
OPERATING EXPENSES:			
Costs of Sales and Services	26,375	15,528	16,442
Administration	2,808	51,206	102,468
Depreciation	—	8,027	940
Other	1,415	2,678	4,172
TOTAL OPERATING EXPENSES	**30,598**	**77,439**	**124,022**
OPERATING INCOME (LOSS)	**(1,326)**	**8,597**	**(11,221)**
NONOPERATING REVENUES (EXPENSES):			
Investment Income	1,834	822	—
Interest Expense	(1,720)	—	—
Other	—	(9)	(72)
TOTAL NONOPERATING REVENUES (EXPENSES)	**114**	**813**	**(72)**
INCOME (LOSS) BEFORE OPERATING TRANSFERS	**(1,212)**	**9,410**	**(11,293)**
OPERATING TRANSFERS:			
Operating Transfers-in	29,857	—	9,558
Operating Transfers-out	(31,779)	(5,000)	—
TOTAL OPERATING TRANSFERS	**(1,922)**	**(5,000)**	**9,558**
NET INCOME (LOSS)	**(3,134)**	**4,410**	**(1,735)**
RETAINED EARNINGS (DEFICITS), JULY 1	29,031	(5,515)	43,834
RETAINED EARNINGS (DEFICITS), JUNE 30	**$ 25,897**	**$ (1,105)**	**$ 42,099**

SUPPORT SERVICES	TOTAL
$ 75,238	$ 299,141
2	4,208
75,240	**303,349**
67,843	126,188
7,093	163,575
554	9,521
—	8,265
75,490	**307,549**
(250)	**(4,200)**
—	2,656
—	(1,720)
(953)	(1,034)
(953)	**(98)**
(1,203)	**(4,298)**
—	39,415
—	(36,779)
—	**2,636**
(1,203)	**(1,662)**
9,986	77,336
$ 8,783	**$ 75,674**

STATE OF OHIO
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	OHIO BUILDING AUTHORITY	INFORMATION TECHNOLOGY	OHIO PENAL INDUSTRIES
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers	$ 26,728	$ 6,927	$ 4,530
Cash Received from Quasi-External Transactions with Other Funds	1,011	73,147	112,661
Other Operating Cash Receipts	19,520	1,533	30
Cash Payments to Suppliers for Goods and Services	(31,342)	(47,697)	(56,234)
Cash Payments to Employees for Services	(1,130)	(20,007)	(44,015)
Cash Payments for Quasi-External Transactions with Other Funds	—	(100)	(24,648)
Other Operating Cash Payments	(16,913)	(741)	(1,289)
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**(2,126)**	**13,062**	**(8,965)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers-in	29,857	—	9,558
Operating Transfers-out	(31,779)	(5,000)	—
NET CASH FLOWS PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	**(1,922)**	**(5,000)**	**9,558**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Payments on Bonds and Capital Leases	(3,194)	—	—
Interest Paid	(1,728)	—	—
Principal Receipts on Capital Leases	3,194	—	—
Acquisition and Construction of Capital Assets	—	(3,122)	(692)
Proceeds from Sales of Fixed Assets	—	6	—
NET CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	**(1,728)**	**(3,116)**	**(692)**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(114,922)	—	—
Proceeds from the Sales and Maturities of Investments	118,150	—	—
Investment Income Received	2,592	775	—
NET CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES	**5,820**	**775**	**—**
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	**44**	**5,721**	**(99)**
CASH AND CASH EQUIVALENTS, JULY 1	191	23,374	22,939
CASH AND CASH EQUIVALENTS, JUNE 30	**$ 235**	**$ 29,095**	**$ 22,840**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	$ (1,326)	$ 8,597	$ (11,221)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	—	8,027	940
Decrease (Increase) in Assets:			
Intergovernmental Receivable	—	161	(126)
Other Receivables	671	(224)	404
Due from Other Funds	—	(4,364)	4,142
Inventories	—	23	77
Other Assets	(61)	—	—
Increase (Decrease) in Liabilities:			
Accounts Payable	(1,275)	1,440	(2,523)
Accrued Liabilities	—	(94)	14
Due to Other Funds	—	(504)	(672)
Deferred Revenue	(135)	—	—
NET CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES	**$ (2,126)**	**$ 13,062**	**$ (8,965)**
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Change in Fair Value of Investments	$ 46	$ —	$ —
Fixed Assets Acquired under Capital Leases	—	—	—
Increase in Contributed Capital	—	2,212	—

SUPPORT SERVICES	TOTAL
$ 4,482	$ 42,667
74,333	261,152
1	21,084
(70,595)	(205,868)
(4,300)	(69,452)
(382)	(25,130)
—	(18,943)
3,539	**5,510**
—	39,415
—	(36,779)
—	**2,636**
(11)	(3,205)
—	(1,728)
—	3,194
(1,124)	(4,938)
4	10
(1,131)	**(6,667)**
—	(114,922)
—	118,150
—	3,367
—	**6,595**
2,408	8,074
862	47,366
$ 3,270	**$ 55,440**
$ (250)	$ (4,200)
554	9,521
371	406
—	851
3,193	2,971
9	109
—	(61)
(323)	(2,681)
(11)	(91)
(4)	(1,180)
—	(135)
$ 3,539	**$ 5,510**
$ —	$ 46
39	39
—	2,212

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TRUST AND AGENCY FUNDS

The **Trust Funds** account for assets the State holds in a trustee capacity. The **Agency Funds** account for assets the State holds as an agent for individuals, private organizations, other governments, and/or other funds.

Expendable Trust

The **Unemployment Compensation Fund** accounts for unemployment insurance benefit claims.

The **Unclaimed Funds Fund** accounts for assets held for owners of unclaimed intangible property. Unclaimed property is property for which the owner has not taken some action to indicate ownership interest over a certain period of time specified under Chapter 169, Ohio Revised Code.

The **Variable College Savings Plan Fund** accounts for the variable fund option savings plan administered by the Tuition Trust Authority.

Pension Trust

The **State Highway Patrol Retirement System Fund** accounts for the accumulation of resources for pension benefit payments to qualified employees who participate in the State Highway Patrol Retirement System.

Investment Trust

The **STAROhio Fund** accounts for the state-sponsored external investment pool, which the Treasurer of State administers for local government participants.

Agency

The **Holding and Distribution Fund** accounts for assets held until such time that a determination has been made to refund amounts to the original owners or to distribute amounts to other funds.

The **Centralized Child Support Collections Fund** accounts for assets temporarily held for custodial parents.

The **Ohio Building Authority Fund** accounts for assets held on the behalf of the Ohio Bureau of Workers' Compensation.

The **Tax Refunds Fund** accounts for assets held to liquidate the State's tax refund obligations.

The **Payroll Withholding and Fringe Benefits Fund** primarily accounts for assets held to liquidate the State's payroll withholding obligations.

The **Retirement Systems Fund** accounts for assets held in the custody of the Treasurer of State for the Public Employees Retirement System, Police and Firemen's Disability and Pension Fund, School Employees Retirement System, and State Teachers Retirement System. While legal custodian, the Treasurer of State does not manage or provide investment services to the foregoing retirement systems.

The **Other Fund** accounts for assets held for others, which are not accounted for in another agency fund.

STATE OF OHIO
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2001
(dollars in thousands)

	EXPENDABLE TRUST		
	UNEMPLOYMENT COMPENSATION	UNCLAIMED FUNDS	VARIABLE COLLEGE SAVINGS PLAN
ASSETS			
Cash Equity with Treasurer	$ —	$ 163	$ —
Cash and Cash Equivalents	—	4,903	—
Investments	9,200	229,989	427,853
Collateral on Lent Securities	1,734	24,828	—
Deposit with Federal Government	2,214,245	—	—
Receivables:			
Taxes	136,476	—	—
Intergovernmental	24	—	—
Other	1	20,244	3,782
Due from Other Funds	—	516	—
Advances to Other Funds	—	190,858	—
Fixed Assets (net of accumulated depreciation)	—	—	—
Other Assets	7,224	—	—
TOTAL ASSETS	**$ 2,368,904**	**$ 471,501**	**$ 431,635**
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ —	$ 836	$ —
Accrued Liabilities	—	—	554
Obligations Under Securities Lending	1,734	24,828	—
Intergovernmental Payable	—	—	—
Investment Trade Payable	—	—	3,349
Due to Other Funds	—	—	—
Benefits Payable	44,937	—	—
Refund and Other Liabilities	36,684	—	—
Liability for Escheat Property	—	102,218	—
Total Liabilities	83,355	127,882	3,903
Fund Balances:			
Reserved for:			
Variable College Savings Plan Participants	—	—	427,732
Employees' Pension and Other Postemployment Healthcare Benefits	—	—	—
Unemployment Benefits	2,285,549	—	—
External Investment Pool Participants	—	—	—
Other:			
Advances to Other Funds	—	190,858	—
Unreserved/Undesignated	—	152,761	—
Total Fund Balances	2,285,549	343,619	427,732
TOTAL LIABILITIES AND FUND BALANCES	**$ 2,368,904**	**$ 471,501**	**$ 431,635**

PENSION TRUST	INVESTMENT TRUST	AGENCY FUNDS	
STATE HIGHWAY PATROL	STAROHIO		TOTAL
$ —	$ —	$ 168,511	$ 168,674
83,046	—	162,635	250,584
521,536	8,517,082	126,797,532	136,503,192
9,777	1,582,266	159,842	1,778,447
—	—	—	2,214,245
—	—	—	136,476
—	—	—	24
1,949	15,581	3,339	44,896
3,078	—	232	3,826
—	—	—	190,858
171	—	—	171
18	—	440,350	447,592
$ 619,575	**$ 10,114,929**	**$ 127,732,441**	**$ 141,738,985**
$ 673	$ —	$ —	$ 1,509
761	—	—	1,315
9,777	1,582,266	159,842	1,778,447
—	—	90,281	90,281
—	134,602	—	137,951
—	—	29,317	29,317
—	—	—	44,937
46	398	127,453,001	127,490,129
—	—	—	102,218
11,257	1,717,266	127,732,441	129,676,104
—	—	—	427,732
608,318	—	—	608,318
—	—	—	2,285,549
—	8,397,663	—	8,397,663
—	—	—	190,858
—	—	—	152,761
608,318	8,397,663	—	12,062,881
$ 619,575	**$ 10,114,929**	**$ 127,732,441**	**$ 141,738,985**

STATE OF OHIO

EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	UNEMPLOYMENT COMPENSATION	UNCLAIMED FUNDS	VARIABLE COLLEGE SAVINGS PLAN
REVENUES:			
Unemployment Taxes	$ 666,125	$ —	$ —
Federal Government	16,333	—	—
Contributions from Plan Participants	—	—	433,544
Investment Income	150,407	11,005	(5,812)
Other	6,889	100,818	—
TOTAL REVENUES	**839,754**	**111,823**	**427,732**
EXPENDITURES:			
CURRENT:			
Public Assistance and Medicaid	1,056,026	—	—
General Government	—	54,456	—
TOTAL EXPENDITURES	**1,056,026**	**54,456**	—
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(216,272)**	**57,367**	**427,732**
OTHER FINANCING SOURCES (USES):			
Operating Transfers-out	(33,692)	—	—
TOTAL OTHER FINANCING SOURCES (USES)	**(33,692)**	—	—
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**(249,964)**	**57,367**	**427,732**
FUND BALANCES, JULY 1	2,535,513	286,252	—
FUND BALANCES, JUNE 30	**$ 2,285,549**	**$ 343,619**	**$ 427,732**

	TOTAL
$	666,125
	16,333
	433,544
	155,600
	107,707
	1,379,309
	1,056,026
	54,456
	1,110,482
	268,827
	(33,692)
	(33,692)
	235,135
	2,821,765
$	**3,056,900**

STATE OF OHIO

STATEMENT OF PLAN NET ASSETS
STATE HIGHWAY PATROL RETIREMENT SYSTEM
PENSION TRUST FUND
JUNE 30, 2001
(dollars in thousands)

	(as of December 31, 2000)		
	PENSION	POST-EMPLOYMENT	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 70,755	$ 12,291	$ 83,046
Receivables:			
Employer's Contributions	1,542	390	1,932
Employees' Contributions	1,146	—	1,146
Interest	1,627	282	1,909
Other	34	6	40
Total Receivables	4,349	678	5,027
Investments:			
Government and Corporate Bonds	98,752	17,154	115,906
Common Stock	198,653	34,508	233,161
Real Estate	60,798	10,561	71,359
Other Investments	86,146	14,964	101,110
Total Investments	444,349	77,187	521,536
Collateral on Lent Securities	8,330	1,447	9,777
Other Assets	15	3	18
Total Current Assets	527,798	91,606	619,404
Fixed Assets (net of accumulated depreciation)	145	26	171
TOTAL ASSETS	**527,943**	**91,632**	**619,575**
LIABILITIES			
Accounts Payable	573	100	673
Accrued Healthcare Benefits	—	676	676
Wages Payable	72	13	85
Obligations Under Securities Lending	8,330	1,447	9,777
Other Liabilities	40	6	46
TOTAL LIABILITIES	**9,015**	**2,242**	**11,257**
FUND BALANCE RESERVED FOR EMPLOYEES' PENSION AND POSTEMPLOYMENT HEALTHCARE BENEFITS	**$ 518,928**	**$ 89,390**	**$ 608,318**

STATE OF OHIO

STATEMENT OF NET ASSETS
STAROHIO INVESTMENT TRUST FUND
JUNE 30, 2001
(dollars in thousands)

ASSETS	
Investments:	
U.S. Government and Agency Obligations	$ 8,189,294
Commercial Paper	312,048
Repurchase Agreements	15,740
Collateral on Lent Securities	1,582,266
Interest Receivable	15,581
TOTAL ASSETS	***10,114,929***
LIABILITIES AND NET ASSETS	
Obligations Under Securities Lending	1,582,266
Investment Trade Payable	134,602
Other Liabilities	398
TOTAL LIABILITIES	***1,717,266***
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS	***$ 8,397,663***
THE PRICING OF SHARES	
Shares Outstanding (unlimited shares authorized)	$ 8,397,663
Net Asset Value, offering and redemption price per share	$1.00

STATE OF OHIO

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	BALANCE JULY 1, 2000	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2001
HOLDING AND DISTRIBUTION				
ASSETS				
Cash Equity with Treasurer	$ 47,729	$ 1,205,950	$ 1,217,904	$ 35,775
Cash and Cash Equivalents	7,890	581,490	583,171	6,209
Collateral on Lent Securities	3,103	15,772	3,103	15,772
Other Receivables	588	3,320	967	2,941
Total Assets	**$ 59,310**	**$ 1,806,532**	**$ 1,805,145**	**$ 60,697**
LIABILITIES				
Obligations Under Securities Lending	$ 3,103	$ 15,772	$ 3,103	$ 15,772
Intergovernmental Payable	1,476	8,719	8,583	1,612
Due to Other Funds	30,677	1,072,568	1,080,888	22,357
Refund and Other Liabilities	24,054	708,113	711,211	20,956
Total Liabilities	**$ 59,310**	**$ 1,805,172**	**$ 1,803,785**	**$ 60,697**
CENTRALIZED CHILD SUPPORT COLLECTIONS				
ASSETS				
Cash and Cash Equivalents	$ —	$ 1,882,620	$ 1,792,296	$ 90,324
Total Assets	**$ —**	**$ 1,882,620**	**$ 1,792,296**	**$ 90,324**
LIABILITIES				
Refund and Other Liabilities	$ —	$ 1,882,620	$ 1,792,296	$ 90,324
Total Liabilities	**$ —**	**$ 1,882,620**	**$ 1,792,296**	**$ 90,324**
OHIO BUILDING AUTHORITY				
ASSETS				
Investments	$ 5,538	$ 2,003	$ 4,385	$ 3,156
Other Receivables	123	563	631	55
Total Assets	**$ 5,661**	**$ 2,566**	**$ 5,016**	**$ 3,211**
LIABILITIES				
Refund and Other Liabilities	$ 5,661	$ 2,566	$ 5,016	$ 3,211
Total Liabilities	**$ 5,661**	**$ 2,566**	**$ 5,016**	**$ 3,211**
TAX REFUNDS				
ASSETS				
Cash Equity with Treasurer	$ 21,772	$ 1,398,599	$ 1,417,192	$ 3,179
Collateral on Lent Securities	1,413	1,403	1,413	1,403
Total Assets	**$ 23,185**	**$ 1,400,002**	**$ 1,418,605**	**$ 4,582**
LIABILITIES				
Obligations Under Securities Lending	$ 1,413	$ 1,403	$ 1,413	$ 1,403
Refund and Other Liabilities	21,772	1,398,599	1,417,192	3,179
Total Liabilities	**$ 23,185**	**$ 1,400,002**	**$ 1,418,605**	**$ 4,582**

	BALANCE JULY 1, 2000	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2001
PAYROLL WITHHOLDING AND FRINGE BENEFITS				
ASSETS				
Cash Equity with Treasurer	$ 65,373	$ 1,930,794	$ 1,939,751	$ 56,416
Cash and Cash Equivalents	802	144,183	143,793	1,192
Collateral on Lent Securities	4,294	24,768	4,294	24,768
Other Receivables	215	1,824	1,884	155
Due from Other Funds	93	2,488	2,472	109
Total Assets	**$ 70,777**	**$ 2,104,057**	**$ 2,092,194**	**$ 82,640**
LIABILITIES				
Obligations Under Securities Lending	$ 4,294	$ 24,768	$ 4,294	$ 24,768
Intergovernmental Payable	1,086	480,128	463,552	17,662
Due to Other Funds	3,208	174,832	171,080	6,960
Refund and Other Liabilities	62,189	1,348,127	1,377,066	33,250
Total Liabilities	**$ 70,777**	**$ 2,027,855**	**$ 2,015,992**	**$ 82,640**
RETIREMENT SYSTEMS				
ASSETS				
Investments	$ 133,368,078	$ 227,797,798	$ 234,389,379	$ 126,776,497
Total Assets	**$ 133,368,078**	**$ 227,797,798**	**$ 234,389,379**	**$ 126,776,497**
LIABILITIES				
Refund and Other Liabilities:				
Liability to:				
Public Employees Retirement System	$ 57,487,102	$ 56,659,371	$ 57,500,903	$ 56,645,570
Ohio Police and Fire Fund	9,271,154	18,464,762	18,732,556	9,003,360
School Employees Retirement System	9,083,934	82,262,480	83,029,698	8,316,716
State Teachers Retirement System	57,525,888	70,411,185	75,126,222	52,810,851
Total Liabilities	**$ 133,368,078**	**$ 227,797,798**	**$ 234,389,379**	**$ 126,776,497**
OTHER				
ASSETS				
Cash Equity with Treasurer	$ 78,853	$ 1,620,291	$ 1,626,003	$ 73,141
Cash and Cash Equivalents	91,340	133,884,865	133,911,295	64,910
Investments	16,270	7,224	5,615	17,879
Collateral on Lent Securities	5,149	192,583	79,833	117,899
Other Receivables	281	2,271	2,364	188
Due from Other Funds	102	2,004	1,983	123
Other Assets	458,603	128,455	146,708	440,350
Total Assets	**$ 650,598**	**$ 135,837,693**	**$ 135,773,801**	**$ 714,490**
LIABILITIES				
Obligations Under Securities Lending	$ 5,149	$ 192,583	$ 79,833	$ 117,899
Intergovernmental Payable	77,752	1,618,316	1,625,061	71,007
Refund and Other Liabilities	567,697	133,987,957	134,030,070	525,584
Total Liabilities	**$ 650,598**	**$ 135,798,856**	**$ 135,734,964**	**$ 714,490**

(continued)

STATE OF OHIO

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)

(continued)

	BALANCE JULY 1, 2000	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2001
TOTAL AGENCY				
ASSETS				
Cash Equity with Treasurer	$ 213,727	$ 6,155,634	$ 6,200,850	$ 168,511
Cash and Cash Equivalents	100,032	136,493,158	136,430,555	162,635
Investments	133,389,886	227,807,025	234,399,379	126,797,532
Collateral on Lent Securities	13,959	234,526	88,643	159,842
Other Receivables	1,207	7,978	5,846	3,339
Due from Other Funds	195	4,492	4,455	232
Other Assets	458,603	128,455	146,708	440,350
Total Assets	**$ 134,177,609**	**$ 370,831,268**	**$ 377,276,436**	**$ 127,732,441**
LIABILITIES				
Obligations Under Securities Lending	$ 13,959	$ 234,526	$ 88,643	$ 159,842
Intergovernmental Payable	80,314	2,107,163	2,097,196	90,281
Due to Other Funds	33,885	1,247,400	1,251,968	29,317
Refund and Other Liabilities	134,049,451	367,125,780	373,722,230	127,453,001
Total Liabilities	**$ 134,177,609**	**$ 370,714,869**	**$ 377,160,037**	**$ 127,732,441**

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GENERAL FIXED ASSETS ACCOUNT GROUP

The **General Fixed Assets Account Group** accounts for fixed assets acquired or constructed for use by the State for general governmental purposes. These include all fixed assets except those accounted for in the proprietary, trust, and college and university funds.

STATE OF OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

JUNE 30, 2001

(dollars in thousands)

GENERAL FIXED ASSETS:		
Land	$	*234,180*
Buildings		*2,971,739*
Land Improvements		*185,542*
Machinery and Equipment		*256,155*
State Vehicles		*265,750*
Construction-in-Progress		*291,793*
TOTAL GENERAL FIXED ASSETS	***$***	***4,205,159***
INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE:		
ACQUIRED BEFORE JULY 1, 1987	$	*1,009,580*
ACQUIRED ON OR AFTER JULY 1, 1987:		
General Fund Revenues		*213,445*
Special Revenue Fund Revenues		*663,772*
Capital Projects Funds:		
Special Obligation Bonds		*2,261,855*
Certificates of Participation		*4,044*
Donations		*52,463*
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	***$***	***4,205,159***

STATE OF OHIO

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

JUNE 30, 2001

(dollars in thousands)

REPORTING FUNCTION:	LAND	BUILDINGS	LAND IMPROVE-MENTS	MACHINERY AND EQUIPMENT	STATE VEHICLES	TOTAL
Primary, Secondary and Other Education	$ 14,123	$ 119,449	$ 3,654	$ 6,740	$ 1,313	$ 145,279
Higher Education Support	—	—	—	399	—	399
Public Assistance and Medicaid	—	—	—	19,798	201	19,999
Health and Human Services	5,886	475,552	56,682	33,064	10,189	581,373
Justice and Public Protection	11,097	1,332,362	54,289	45,731	62,026	1,505,505
Environmental Protection and Natural Resources	158,768	168,318	38,320	21,482	34,554	421,442
Transportation	20,833	262,462	13,536	78,659	141,945	517,435
General Government	20,199	544,307	13,161	47,940	9,999	635,606
Community and Economic Development	3,274	69,289	5,900	2,342	5,523	86,328
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	**$ 234,180**	**$ 2,971,739**	**$ 185,542**	**$ 256,155**	**$ 265,750**	**3,913,366**
Construction-in-Progress						291,793
TOTAL GENERAL FIXED ASSETS						**$ 4,205,159**

STATE OF OHIO

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2001
(dollars in thousands)

	BALANCE JULY 1, 2000	BEGINNING BALANCE ADJUSTMENTS	ADDITIONS	DELETIONS/ NET TRANSFERS	BALANCE JUNE 30, 2001
REPORTING FUNCTION:					
Primary, Secondary and Other Education	$ 135,887	$ (1,207)	$ 10,640	$ (41)	$ 145,279
Higher Education Support	418	—	17	(36)	399
Public Assistance and Medicaid	18,147	901	1,145	(194)	19,999
Health and Human Services	581,733	(17,743)	28,491	(11,108)	581,373
Justice and Public Protection	1,266,571	47,993	198,472	(7,531)	1,505,505
Environmental Protection and Natural Resources	399,687	(1,550)	25,304	(1,999)	421,442
Transportation	500,667	(1,541)	32,039	(13,730)	517,435
General Government	608,723	(1,301)	32,202	(4,018)	635,606
Community and Economic Development	85,952	(133)	1,163	(654)	86,328
TOTAL GENERAL FIXED ASSETS ALLOCATED TO FUNCTIONS	***3,597,785***	***25,419***	***329,473***	***(39,311)***	***3,913,366***
Construction-in-Progress	560,445	(38,485)	145,127	(375,294)	291,793
TOTAL GENERAL FIXED ASSETS	***$ 4,158,230***	***$ (13,066)***	***$ 474,600***	***$ (414,605)***	***$ 4,205,159***

DISCRETELY PRESENTED COMPONENT UNIT FUNDS

The **Discretely Presented Component Unit Funds** account for the financial activities of the State of Ohio's component units, organizations that are legally separate from the State's primary government and for which the primary government is financially accountable. The Discretely Presented Component Unit Funds are presented in three separate reporting categories: **Governmental Funds, Proprietary Funds,** and **College and University Funds**.

Governmental Funds

The **School Facilities Commission Fund** accounts for the revenues and expenditures associated with the School Facilities Commission's operations, including its capital grant programs that provide assistance to local school districts for the construction of school buildings.

Proprietary Funds

The **Ohio Water Development Authority Fund** accounts for the revenues and expenses associated with the Ohio Water Development Authority's operations and its programs, which provide financial assistance to local governments for the construction of wastewater and sewage facilities.

College and University Funds

The **Ohio State University Fund** accounts for operations of Ohio State University, its hospitals and clinics, the Ohio State University Foundation, the Ohio Agricultural Research and Development Center, the Ohio Supercomputer Center, the Ohio State University Research Foundation, the Ohio State University Student Loan Foundation, Inc., the Transportation Research Center of Ohio, Inc., Campus Partners for Community Urban Redevelopment, Inc., University Affiliates, Inc., Reading Recovery and Early Literacy, Inc., Ohio State University Retirees Association, and OSU Managed Health Care Systems, Inc.

The **University of Cincinnati Fund** accounts for the operations of the University of Cincinnati, and the University of Cincinnati Foundation and the Endowment Fund Association of the University of Cincinnati.

The **Ohio University Fund** accounts for the operations of Ohio University located in Athens, Ohio.

The **Miami University Fund** accounts for the operations of Miami University located in Oxford, Ohio.

The **University of Akron Fund** accounts for the operations of the University of Akron.

The **Bowling Green State University Fund** accounts for the operations of Bowling Green State University.

The **Kent State University Fund** accounts for the operations of Kent State University.

The **University of Toledo Fund** accounts for the operations of the University of Toledo, including the University of Toledo Real Estate Corporation.

The **Cleveland State University Fund** accounts for the operations of Cleveland State University.

The **Youngstown State University Fund** accounts for the operations of Youngstown State University.

The **Wright State University Fund** accounts for the operations of Wright State University located in Dayton, Ohio.

The **Shawnee State University Fund** accounts for the operations of Shawnee State University located in Portsmouth, Ohio.

The **Central State University Fund** accounts for the operations of Central State University located in Wilberforce, Ohio.

The **Medical College of Ohio Fund** accounts for the operations of the Medical College of Ohio at Toledo and its hospital.

The **Terra State Community College Fund** accounts for the operations of Terra State Community College located in Fremont, Ohio.

The **Columbus State Community College Fund** accounts for the operations of Columbus State Community College and the Columbus State Community College Development Foundation, Inc.

The **Clark State Community College Fund** accounts for the operations of Clark State Community College located in Springfield, Ohio.

The **Edison State Community College Fund** accounts for the operations of Edison State Community College located in Piqua, Ohio.

The **Southern State Community College Fund** accounts for the operations of Southern State Community College located in Hillsboro, Ohio.

The **Washington State Community College Fund** accounts for the operations of Washington State Community College located in Marietta, Ohio.

The **Cincinnati State Community College Fund** accounts for the operations of Cincinnati State Community College.

The **Northwest State Community College Fund** accounts for the operations of Northwest State Community College located in Archbold, Ohio.

The **Owens State Community College Fund** accounts for the operations of Owens State Community College located in Toledo, Ohio.

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2001

(dollars in thousands)

	GOVERNMENTAL	PROPRIETARY
	SCHOOL FACILITIES COMMISSION	OHIO WATER DEVELOPMENT AUTHORITY
ASSETS		
Cash Equity with Treasurer	$ 723,211	$ 68
Cash and Cash Equivalents	—	14,659
Investments	—	905,569
Collateral on Lent Securities	315,784	—
Receivables:		
Intergovernmental	—	307
Loans, Net	1,200	2,171,815
Other	3,896	8
Due from Other Funds	—	185
Inventories	—	—
Restricted Assets:		
Cash and Cash Equivalents	—	—
Investments	—	—
Fixed Assets (net of accumulated depreciation)	—	564
Other Assets	—	17,321
TOTAL ASSETS	**$ 1,044,091**	**$ 3,110,496**
LIABILITIES, FUND EQUITY AND OTHER CREDITS		
Liabilities:		
Accounts Payable	$ 9,441	$ 31,300
Accrued Liabilities	130	6,187
Obligations Under Securities Lending	315,784	—
Intergovernmental Payable	999,278	6,758
Due to Other Funds	—	185
Deferred Revenue	—	—
Refund and Other Liabilities	83	6,631
Revenue Bonds and Notes	—	1,398,142
Certificates of Participation	—	—
Total Liabilities	1,324,716	1,449,203
Fund Equity and Other Credits:		
Investment in General Fixed Assets	—	—
Retained Earnings:		
Unreserved	—	1,661,293
Fund Balances:		
Reserved for:		
Encumbrances	157	—
Restricted Fund Balances	—	—
Unreserved/Designated	—	—
Unreserved/Undesignated	(280,782)	—
Total Fund Equity and Other Credits	(280,625)	1,661,293
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	**$ 1,044,091**	**$ 3,110,496**

COLLEGES AND UNIVERSITIES

OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY	MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
76,373	51,399	2,655	40,328	125	2,959	2,567	775
1,602,894	848,749	135,381	201,510	96,987	126,437	276,156	91,627
—	—	—	—	—	—	—	—
9,383	—	3,493	—	—	134	—	772
63,595	30,225	10,002	8,549	9,939	8,097	19,690	13,635
318,416	102,618	24,083	24,833	22,085	6,603	15,895	12,431
344,801	271,725	6,578	19,419	625	17,378	20,747	8,522
19,046	4,722	1,797	3,016	1,194	2,109	2,176	244
—	—	—	—	—	109	—	—
—	—	36,152	—	82,874	—	—	30,807
3,100,846	1,415,351	675,968	625,607	589,642	422,179	537,727	447,930
37,754	680,514	10,225	947	6,429	203	6,763	9,011
$ 5,573,108	**$ 3,405,303**	**$ 906,334**	**$ 924,209**	**$ 809,900**	**$ 586,208**	**$ 881,721**	**$ 615,754**
$ 95,469	$ 30,696	$ 16,434	$ 13,457	$ 6,279	$ 6,694	$ 10,210	$ 12,321
235,461	244,222	35,849	33,044	24,612	20,797	36,666	18,788
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
344,801	271,725	6,578	19,419	625	17,378	20,747	8,522
88,974	8,345	14,904	7,414	14,788	10,585	16,799	17,617
38,497	63,156	6,003	6,052	5,981	2,195	3,632	269
395,150	434,684	130,845	52,381	161,153	84,613	220,790	117,553
9,675	1,430	—	—	—	—	—	—
1,208,027	1,054,258	210,613	131,767	213,438	142,262	308,844	175,070
2,727,901	1,088,807	543,636	565,681	500,639	351,086	463,148	364,238
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
1,376,723	1,219,584	54,888	102,114	34,254	51,556	28,676	26,751
—	—	95,766	114,691	61,569	29,021	79,710	40,602
260,457	42,654	1,431	9,956	—	12,283	1,343	9,093
4,365,081	2,351,045	695,721	792,442	596,462	443,946	572,877	440,684
$ 5,573,108	**$ 3,405,303**	**$ 906,334**	**$ 924,209**	**$ 809,900**	**$ 586,208**	**$ 881,721**	**$ 615,754**

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2001

(dollars in thousands)
(continued)

	COLLEGES AND UNIVERSITIES			
	CLEVELAND STATE UNIVERSITY	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY
ASSETS				
Cash Equity with Treasurer	$ —	$ —	$ —	$ —
Cash and Cash Equivalents	2,614	3,925	2,751	10,169
Investments	44,830	23,248	80,881	7,568
Collateral on Lent Securities	—	—	—	—
Receivables:				
Intergovernmental	—	212	2,617	—
Loans, Net	9,849	2,900	15,149	51
Other	11,200	5,551	15,166	2,051
Due from Other Funds	—	7,691	11,092	1,955
Inventories	173	1,501	673	59
Restricted Assets:				
Cash and Cash Equivalents	—	153	84	347
Investments	—	5,430	—	183
Fixed Assets (net of accumulated depreciation)	490,724	273,240	347,829	92,471
Other Assets	4,290	1,020	7,571	279
TOTAL ASSETS	**$ 563,680**	**$ 324,871**	**$ 483,813**	**$ 115,133**
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	$ 2,729	$ 1,102	$ 6,491	$ 911
Accrued Liabilities	12,789	13,335	20,205	3,832
Obligations Under Securities Lending	—	—	—	—
Intergovernmental Payable	—	—	—	—
Due to Other Funds	—	7,691	11,092	1,955
Deferred Revenue	12,139	2,219	10,184	364
Refund and Other Liabilities	5,919	231	8,847	1
Revenue Bonds and Notes	10,995	15,710	10,629	3,470
Certificates of Participation	—	—	—	—
Total Liabilities	44,571	40,288	67,448	10,533
Fund Equity and Other Credits:				
Investment in General Fixed Assets	478,331	256,871	334,596	89,065
Retained Earnings:				
Unreserved	—	—	—	—
Fund Balances:				
Reserved for:				
Encumbrances	—	—	—	—
Restricted Fund Balances	23,008	16,173	35,733	2,845
Unreserved/Designated	15,168	8,528	46,036	5,324
Unreserved/Undesignated	2,602	3,011	—	7,366
Total Fund Equity and Other Credits	519,109	284,583	416,365	104,600
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	**$ 563,680**	**$ 324,871**	**$ 483,813**	**$ 115,133**

COLLEGES AND UNIVERSITIES								
CENTRAL STATE UNIVERSITY	MEDICAL COLLEGE OF OHIO	TERRA STATE COMMUNITY COLLEGE	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE	SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
6,447	—	746	50,114	2,973	776	54	1,403
—	35,526	1,944	12,422	2,558	1,479	875	101
—	—	—	—	—	—	—	—
3,449	21,586	470	598	—	7	—	1,016
324	5,376	6	401	32	—	10	—
1,312	21,623	2,411	5,583	1,694	2,308	1,696	565
2,815	—	692	4,813	188	498	97	530
—	3,441	276	1,571	179	164	102	89
4,318	—	—	447	—	8	—	622
216	—	—	—	—	276	179	—
101,164	328,991	38,197	129,592	43,465	24,279	27,096	23,977
221	460	38	—	683	86	137	32
$ 120,266	**$ 417,003**	**$ 44,780**	**$ 205,541**	**$ 51,772**	**$ 29,881**	**$ 30,246**	**$ 28,335**
$ 1,040	$ 7,659	$ 313	$ 2,487	$ 575	$ 1	$ —	$ 146
3,237	23,128	1,099	2,266	456	558	531	828
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
2,815	—	692	4,813	188	498	97	530
4,464	—	1,445	5,976	574	1,728	895	926
1,042	5,454	—	4,585	752	—	14	—
3,347	—	—	12,845	—	800	—	—
—	—	—	—	—	—	—	—
15,945	36,241	3,549	32,972	2,545	3,585	1,537	2,430
101,164	327,761	38,197	114,824	43,418	23,479	26,966	24,466
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
1,268	9,136	53	3,282	2,288	567	452	—
1,889	2,275	648	26,833	1,687	2,250	—	226
—	41,590	2,333	27,630	1,834	—	1,291	1,213
104,321	380,762	41,231	172,569	49,227	26,296	28,709	25,905
$ 120,266	**$ 417,003**	**$ 44,780**	**$ 205,541**	**$ 51,772**	**$ 29,881**	**$ 30,246**	**$ 28,335**

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS
COMBINING BALANCE SHEET
JUNE 30, 2001

(dollars in thousands)
(continued)

	COLLEGES AND UNIVERSITIES			
	CINCINNATI STATE COMMUNITY COLLEGE	NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL
ASSETS				
Cash Equity with Treasurer	$ —	$ —	$ —	$ 723,279
Cash and Cash Equivalents	3,285	4,634	9,909	291,640
Investments	4,980	—	10,961	4,512,683
Collateral on Lent Securities	—	—	—	315,784
Receivables:				
Intergovernmental	—	1,039	1,380	46,463
Loans, Net	355	—	608	2,371,808
Other	5,372	487	7,748	615,635
Due from Other Funds	2,202	—	—	722,553
Inventories	14	154	692	43,392
Restricted Assets:				
Cash and Cash Equivalents	—	105	—	6,193
Investments	—	—	—	156,117
Fixed Assets (net of accumulated depreciation)	66,674	23,436	91,438	9,918,387
Other Assets	182	—	1,444	785,610
TOTAL ASSETS	**$ 83,064**	**$ 29,855**	**$ 124,180**	**$ 20,509,544**
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	$ 1,477	$ 532	$ 1,699	$ 259,463
Accrued Liabilities	3,932	595	4,127	746,674
Obligations Under Securities Lending	—	—	—	315,784
Intergovernmental Payable	—	—	679	1,006,715
Due to Other Funds	2,202	—	—	722,553
Deferred Revenue	2,513	278	6,495	229,626
Refund and Other Liabilities	19	12	54	159,429
Revenue Bonds and Notes	—	—	—	3,053,107
Certificates of Participation	—	—	—	11,105
Total Liabilities	10,143	1,417	13,054	6,504,456
Fund Equity and Other Credits:				
Investment in General Fixed Assets	66,251	23,452	91,438	8,645,415
Retained Earnings:				
Unreserved	—	—	—	1,661,293
Fund Balances:				
Reserved for:				
Encumbrances	—	—	—	157
Restricted Fund Balances	384	679	829	2,991,243
Unreserved/Designated	5,175	2,984	950	541,332
Unreserved/Undesignated	1,111	1,323	17,909	165,648
Total Fund Equity and Other Credits	72,921	28,438	111,126	14,005,088
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	**$ 83,064**	**$ 29,855**	**$ 124,180**	**$ 20,509,544**

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STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS
COMBINING STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)

	OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	$ 1,297,686	$ 340,656	$ 233,211
Local Appropriations-Restricted	17,885	27	—
Federal Grants and Contracts-Restricted	208,433	114,848	38,815
State Grants and Contracts-Restricted	43,260	9,997	12,872
Local Grants and Contracts-Restricted	3,469	257	513
Private Gifts, Grants and Contracts-Restricted	352,625	96,384	14,487
Endowment Income-Restricted	14,840	20,697	1,737
Investment Income-Restricted	(212,553)	(57,306)	(5,349)
Interest on Loans Receivable	2,448	783	184
Investment in Plant-Additions	329,310	84,879	87,192
Other	—	3,752	67,100
TOTAL REVENUES AND OTHER ADDITIONS	**2,057,403**	**614,974**	**450,762**
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	1,370,357	603,782	362,996
Auxiliary Enterprises Expenditures	150,357	66,446	61,091
Hospital Expenditures	627,970	—	10,020
Indirect Costs Recovered	49,982	27,336	5,198
Grant Refunds and Adjustments	—	475	97
Loan Cancellations and Write-offs	452	190	54
Administrative and Collection Costs	659	—	—
Expended for Plant Facilities	207,686	58,735	69,740
Retirement of Indebtedness	29,961	26,488	10,296
Interest on Indebtedness	18,117	17,040	4,176
Investment in Plant-Deductions	33,543	13,808	59,732
Other	905	13,550	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	**2,489,989**	**827,850**	**583,400**
TRANSFERS:			
Operating Transfers from Primary Government	515,236	245,908	177,076
NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	**82,650**	**33,032**	**44,438**
Cumulative Effect of Change in Accounting Principle	—	—	—
NET INCREASE (DECREASE) FOR THE YEAR	**82,650**	**33,032**	**44,438**
FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated)	4,282,431	2,318,013	651,283
FUND BALANCE AND OTHER CREDITS, JUNE 30	**$ 4,365,081**	**$ 2,351,045**	**$ 695,721**

MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
$ 248,384	$ 148,508	$ 190,943	$ 216,001	$ 165,582	$ 85,858
—	—	—	—	—	—
11,800	20,500	13,902	33,984	19,578	15,309
3,921	1,101	3,978	8,595	6,299	8,315
337	579	98	199	875	600
14,260	40,729	2,639	4,620	8,395	6,309
3,179	704	10,233	5	—	1,246
(11,232)	(14,468)	5,024	147	(1,427)	215
152	180	—	428	194	307
57,014	33,105	57,266	25,468	24,941	13,433
480	1,576	56,677	7,557	908	—
328,295	**232,514**	**340,760**	**297,004**	**225,345**	**131,592**
253,981	253,175	220,213	297,187	214,876	176,832
78,571	32,206	58,347	57,969	46,435	10,735
—	—	—	—	—	—
1,349	3,015	1,151	2,434	1,955	1,426
72	55	—	83	—	—
66	203	9	517	157	63
122	787	77	13	—	315
43,753	20,524	54,701	23,150	15,614	8,188
4,740	2,821	3,245	5,523	5,235	9,995
2,898	9,147	3,335	7,781	4,858	810
3,681	6,164	57,761	3,943	15,914	1,055
21	1,692	25,537	—	708	—
389,254	**329,789**	**424,376**	**398,600**	**305,752**	**209,419**
110,947	121,452	102,681	141,065	93,570	103,051
49,988	**24,177**	**19,065**	**39,469**	**13,163**	**25,224**
—	—	—	—	—	—
49,988	**24,177**	**19,065**	**39,469**	**13,163**	**25,224**
742,454	572,285	424,881	533,408	427,521	493,885
$ 792,442	**$ 596,462**	**$ 443,946**	**$ 572,877**	**$ 440,684**	**$ 519,109**

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS
COMBINING STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)
(continued)

	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	$ 68,909	$ 110,849	$ 13,851
Local Appropriations-Restricted	—	—	—
Federal Grants and Contracts-Restricted	9,878	26,804	6,155
State Grants and Contracts-Restricted	7,836	7,935	2,670
Local Grants and Contracts-Restricted	166	1,039	283
Private Gifts, Grants and Contracts-Restricted	8,540	14,931	1,466
Endowment Income-Restricted	269	164	—
Investment Income-Restricted	(454)	1,278	36
Interest on Loans Receivable	42	279	—
Investment in Plant-Additions	4,092	21,602	1,841
Other	50	129	62
TOTAL REVENUES AND OTHER ADDITIONS	**99,328**	**185,010**	**26,364**
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	114,846	222,741	37,156
Auxiliary Enterprises Expenditures	18,571	16,444	3,358
Hospital Expenditures	—	—	—
Indirect Costs Recovered	242	4,439	—
Grant Refunds and Adjustments	—	35	—
Loan Cancellations and Write-offs	82	276	1
Administrative and Collection Costs	—	144	—
Expended for Plant Facilities	2,435	15,036	697
Retirement of Indebtedness	795	1,590	266
Interest on Indebtedness	781	687	242
Investment in Plant-Deductions	1,203	8,430	32
Other	8	174	453
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	**138,963**	**269,996**	**42,205**
TRANSFERS:			
Operating Transfers from Primary Government	52,356	107,771	16,777
NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	**12,721**	**22,785**	**936**
Cumulative Effect of Change in Accounting Principle	(45,770)	—	—
NET INCREASE (DECREASE) FOR THE YEAR	**(33,049)**	**22,785**	**936**
FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated)	317,632	393,580	103,664
FUND BALANCE AND OTHER CREDITS, JUNE 30	**$ 284,583**	**$ 416,365**	**$ 104,600**

CENTRAL STATE UNIVERSITY	MEDICAL COLLEGE OF OHIO	TERRA STATE COMMUNITY COLLEGE	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE
$ 9,835	$ 195,566	$ 5,830	$ 49,201	$ 8,446	$ 6,768
—	—	—	—	—	—
13,820	14,029	2,170	8,159	2,447	1,397
1,063	3,457	379	364	548	793
6	—	91	—	606	—
860	2,012	282	1,123	218	—
46	—	—	—	—	5
56	1,982	35	(366)	93	—
192	119	—	3	—	—
4,738	11,445	931	6,179	750	1,015
6	—	93	270	24	492
30,622	**228,610**	**9,811**	**64,933**	**13,132**	**10,470**
32,089	89,324	15,094	87,419	16,770	14,243
3,201	3,965	983	8,294	2,250	929
—	148,304	—	—	—	—
567	—	—	—	—	—
—	—	—	—	—	—
15	—	—	40	—	—
—	—	—	—	—	—
7,195	8,721	366	—	—	—
226	—	—	—	—	—
165	—	—	—	—	64
157	2,127	49	718	489	7
—	—	120	353	—	—
43,615	**252,441**	**16,612**	**96,824**	**19,509**	**15,243**
21,508	42,610	7,609	43,992	7,867	6,210
8,515	**18,779**	**808**	**12,101**	**1,490**	**1,437**
—	—	—	—	—	—
8,515	**18,779**	**808**	**12,101**	**1,490**	**1,437**
95,806	361,983	40,423	160,468	47,737	24,859
$ 104,321	**$ 380,762**	**$ 41,231**	**$ 172,569**	**$ 49,227**	**$ 26,296**

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS
COMBINING STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)
(continued)

	SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE
REVENUES AND OTHER ADDITIONS:			
Unrestricted Current Fund Revenues	$ 6,098	$ 5,764	$ 21,742
Local Appropriations-Restricted	—	—	—
Federal Grants and Contracts-Restricted	3,397	2,817	4,219
State Grants and Contracts-Restricted	952	665	2,878
Local Grants and Contracts-Restricted	284	—	81
Private Gifts, Grants and Contracts-Restricted	125	—	900
Endowment Income-Restricted	—	(11)	—
Investment Income-Restricted	—	—	—
Interest on Loans Receivable	—	—	9
Investment in Plant-Additions	1,322	156	1,227
Other	270	—	2
TOTAL REVENUES AND OTHER ADDITIONS	**12,448**	**9,391**	**31,058**
EXPENDITURES AND OTHER DEDUCTIONS:			
Educational and General Expenditures	13,585	13,489	49,388
Auxiliary Enterprises Expenditures	1,624	814	920
Hospital Expenditures	—	—	—
Indirect Costs Recovered	—	—	—
Grant Refunds and Adjustments	—	—	—
Loan Cancellations and Write-offs	5	—	35
Administrative and Collection Costs	—	—	12
Expended for Plant Facilities	502	175	628
Retirement of Indebtedness	—	—	—
Interest on Indebtedness	—	—	—
Investment in Plant-Deductions	—	176	4,118
Other	361	—	—
TOTAL EXPENDITURES AND OTHER DEDUCTIONS	**16,077**	**14,654**	**55,101**
TRANSFERS:			
Operating Transfers from Primary Government	4,987	5,373	21,778
NET INCREASE (DECREASE) FOR THE YEAR BEFORE CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE	**1,358**	**110**	**(2,265)**
Cumulative Effect of Change in Accounting Principle	—	—	—
NET INCREASE (DECREASE) FOR THE YEAR	**1,358**	**110**	**(2,265)**
FUND BALANCE AND OTHER CREDITS, JULY 1 (as restated)	27,351	25,795	75,186
FUND BALANCE AND OTHER CREDITS, JUNE 30	**$ 28,709**	**$ 25,905**	**$ 72,921**

NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL
$ 6,812	$ 28,565	$ 3,465,065
—	—	17,912
1,341	8,229	582,031
1,938	2,736	132,552
—	—	9,483
—	—	570,905
—	—	53,114
—	7	(294,282)
—	23	5,343
705	4,223	772,834
218	485	140,151
11,014	**44,268**	**5,455,108**
13,586	64,827	4,537,956
1,274	6,467	631,251
—	—	786,294
—	—	99,094
—	—	817
—	27	2,192
—	—	2,129
—	1,265	539,111
—	—	101,181
—	—	70,101
56	—	213,163
—		43,882
14,916	**72,586**	**7,027,171**
6,157	36,870	1,992,851
2,255	**8,552**	**420,788**
—	—	(45,770)
2,255	**8,552**	**375,018**
26,183	102,574	12,249,402
$ 28,438	**$ 111,126**	**$ 12,624,420**

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS
COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)

	OHIO STATE UNIVERSITY	UNIVERSITY OF CINCINNATI	OHIO UNIVERSITY
REVENUES:			
Tuition, Fees and Other Student Charges	$ 369,735	$ 174,907	$ 155,128
Local Appropriations	14,656	14	—
Federal Grants and Contracts	207,736	113,577	36,658
State Grants and Contracts	38,571	9,962	12,146
Local Grants and Contracts	2,874	332	642
Private Gifts, Grants and Contracts	231,519	34,977	12,607
Endowment Income	17,558	37,324	1,046
Sales and Services	786,191	113,918	59,722
Investment Income	25,600	12,375	3,776
Other Sources	51,901	7,480	18,508
TOTAL REVENUES	**1,746,341**	**504,866**	**300,233**
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	531,410	219,866	164,749
Separately Budgeted Research	262,514	96,133	23,978
Public Service	104,423	44,455	14,783
Academic Support	105,385	62,519	42,447
Student Services	56,471	25,976	20,565
Institutional Support	132,087	56,440	37,441
Operation and Maintenance of Plant	76,984	38,730	30,058
Scholarships and Fellowships	101,083	59,663	28,975
TOTAL EDUCATIONAL AND GENERAL	1,370,357	603,782	362,996
AUXILIARY ENTERPRISES	150,357	66,446	61,091
HOSPITALS	627,970	—	10,020
TOTAL EXPENDITURES	**2,148,684**	**670,228**	**434,107**
MANDATORY TRANSFERS, NET:			
Principal and Interest	38,533	28,197	4,797
Renewals and Replacements	—	—	—
Other	45	135	52
TOTAL MANDATORY TRANSFERS, NET	**38,578**	**28,332**	**4,849**
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	**2,187,262**	**698,560**	**438,956**
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	450,764	199,651	149,459
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	(35,350)	(9,907)	(6,130)
Other	37,173	884	(1,108)
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	122,359	29,247	5,420
Indirect Costs Recovered	(49,982)	(27,336)	(5,198)
Other	—	(3,298)	(96)
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	**524,964**	**189,241**	**142,347**
NET INCREASE (DECREASE) IN FUND BALANCES	**$ 84,043**	**$ (4,453)**	**$ 3,624**

MIAMI UNIVERSITY	UNIVERSITY OF AKRON	BOWLING GREEN STATE UNIVERSITY	KENT STATE UNIVERSITY	UNIVERSITY OF TOLEDO	CLEVELAND STATE UNIVERSITY
$ 153,363	$ 98,884	$ 117,923	$ 145,120	$ 107,563	$ 70,116
—	—	—	—	—	—
11,622	20,554	13,100	33,377	19,251	15,178
3,919	1,623	3,925	8,921	10,376	9,034
621	523	95	268	1,379	629
13,588	19,402	3,940	6,452	11,768	6,026
4,337	2,333	—	11	1,525	1,246
77,694	40,174	61,461	48,125	41,929	10,970
9,558	4,914	4,996	11,912	3,279	2,434
1,572	293	4,636	5,475	1,929	907
276,274	**188,700**	**210,076**	**259,661**	**198,999**	**116,540**
124,059	101,091	88,459	131,517	99,978	69,253
7,339	16,193	4,068	13,238	10,931	12,807
1,974	10,598	10,061	14,925	5,186	8,225
29,667	29,164	28,251	30,904	24,419	17,090
18,766	12,625	18,993	24,951	15,784	18,338
26,777	31,974	23,309	26,177	19,730	21,200
22,157	18,701	13,667	23,256	12,958	14,333
23,242	32,955	33,405	32,220	25,889	15,586
253,981	253,301	220,213	297,188	214,875	176,832
78,571	32,206	58,347	57,969	46,435	10,735
—	—	—	—	—	—
332,552	**285,507**	**278,560**	**355,157**	**261,310**	**187,567**
7,547	6,567	5,519	7,465	9,964	1,555
—	—	2,821	—	—	—
5	87	7	113	154	96
7,552	**6,654**	**8,347**	**7,578**	**10,118**	**1,651**
340,104	**292,161**	**286,907**	**362,735**	**271,428**	**189,218**
87,423	105,441	89,276	123,963	88,590	77,665
(13,769)	(776)	(2,394)	(3,413)	—	(75)
(7,555)	887	596	5	(3,487)	(273)
4,717	5,310	—	3,674	1,692	419
(1,349)	(3,015)	—	(2,434)	(1,955)	(1,426)
(21)	(49)	106	(82)	—	—
69,446	**107,798**	**87,584**	**121,713**	**84,840**	**76,310**
$ 5,616	**$ 4,337**	**$ 10,753**	**$ 18,639**	**$ 12,411**	**$ 3,632**

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS
COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)
(continued)

	YOUNGSTOWN STATE UNIVERSITY	WRIGHT STATE UNIVERSITY	SHAWNEE STATE UNIVERSITY
REVENUES:			
Tuition, Fees and Other Student Charges	$ 51,350	$ 74,870	$ 10,786
Local Appropriations	—	—	—
Federal Grants and Contracts	9,338	26,108	6,155
State Grants and Contracts	6,257	6,866	3,617
Local Grants and Contracts	197	909	334
Private Gifts, Grants and Contracts	7,273	10,925	1,501
Endowment Income	—	232	—
Sales and Services	14,556	22,362	977
Investment Income	1,638	3,684	907
Other Sources	1,653	5,821	1,005
TOTAL REVENUES	**92,262**	**151,777**	**25,282**
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	47,943	82,241	12,043
Separately Budgeted Research	884	21,930	—
Public Service	5,573	8,242	4,426
Academic Support	9,192	40,575	2,428
Student Services	6,678	12,004	2,793
Institutional Support	15,596	21,033	5,447
Operation and Maintenance of Plant	8,510	13,539	3,086
Scholarships and Fellowships	20,470	23,177	6,932
TOTAL EDUCATIONAL AND GENERAL	114,846	222,741	37,155
AUXILIARY ENTERPRISES	18,571	16,444	3,359
HOSPITALS	—	—	—
TOTAL EXPENDITURES	**133,417**	**239,185**	**40,514**
MANDATORY TRANSFERS, NET:			
Principal and Interest	1,445	2,283	462
Renewals and Replacements	—	—	—
Other	30	126	—
TOTAL MANDATORY TRANSFERS, NET	**1,475**	**2,409**	**462**
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	**134,892**	**241,594**	**40,976**
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	48,429	97,185	15,474
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	(895)	(3,273)	(520)
Other	(1,110)	(528)	—
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	1,234	9,337	(454)
Indirect Costs Recovered	(242)	(4,439)	—
Other	—	(16)	—
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	**47,416**	**98,266**	**14,500**
NET INCREASE (DECREASE) IN FUND BALANCES	**$ 4,786**	**$ 8,449**	**$ (1,194)**

CENTRAL STATE UNIVERSITY	MEDICAL COLLEGE OF OHIO	TERRA STATE COMMUNITY COLLEGE	COLUMBUS STATE COMMUNITY COLLEGE	CLARK STATE COMMUNITY COLLEGE	EDISON STATE COMMUNITY COLLEGE
$ 3,525	$ 11,576	$ 4,640	$ 35,396	$ 6,025	$ 5,506
—	—	—	—	—	—
13,864	13,503	2,182	8,159	2,447	1,397
1,258	2,562	474	2,534	574	793
6	—	54	—	606	—
860	7,686	192	1,940	87	119
—	—	—	—	—	—
4,665	158,700	1,025	8,627	1,390	1,210
411	2,840	165	3,037	—	118
434	15,748	277	472	1,006	206
25,023	**212,615**	**9,009**	**60,165**	**12,135**	**9,349**
5,954	46,620	5,394	38,815	5,023	4,737
930	14,588	—	—	—	—
7,124	501	2,542	1,935	2,491	1,035
5,585	5,370	521	2,813	697	326
2,959	1,559	1,047	7,450	1,519	2,782
6,865	11,714	3,035	12,558	2,933	3,080
4,406	8,012	1,357	12,450	1,959	1,186
5,134	972	1,198	10,966	1,991	124
38,957	89,336	15,094	86,987	16,613	13,270
4,115	3,966	983	8,295	2,250	929
—	148,304	—	—	—	—
43,072	**241,606**	**16,077**	**95,282**	**18,863**	**14,199**
246	—	—	1,572	—	46
—	—	—	—	—	—
—	—	—	—	—	—
246	**—**	**—**	**1,572**	**—**	**46**
43,318	**241,606**	**16,077**	**96,854**	**18,863**	**14,245**
19,051	38,836	6,962	41,372	7,525	6,210
—	(7,798)	—	—	—	(973)
—	(807)		—	—	—
—	88	16	—	704	—
567	3,330	—	—	—	—
—	—	(125)	—	—	—
19,618	**33,649**	**6,853**	**41,372**	**8,229**	**5,237**
$ 1,323	**$ 4,658**	**$ (215)**	**$ 4,683**	**$ 1,501**	**$ 341**

(continued)

STATE OF OHIO

DISCRETELY PRESENTED COMPONENT UNITS - COLLEGE AND UNIVERSITY FUNDS
COMBINING STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

(dollars in thousands)
(continued)

	SOUTHERN STATE COMMUNITY COLLEGE	WASHINGTON STATE COMMUNITY COLLEGE	CINCINNATI STATE COMMUNITY COLLEGE
REVENUES:			
Tuition, Fees and Other Student Charges	$ 3,638	$ 4,126	$ 17,516
Local Appropriations	—	—	—
Federal Grants and Contracts	3,397	2,817	4,219
State Grants and Contracts	1,672	1,256	2,878
Local Grants and Contracts	284	—	81
Private Gifts, Grants and Contracts	125	—	453
Endowment Income	—	—	—
Sales and Services	1,607	990	3,134
Investment Income	—	82	513
Other Sources	132	150	579
TOTAL REVENUES	**10,855**	**9,421**	**29,373**
EXPENDITURES AND MANDATORY TRANSFERS:			
EDUCATIONAL AND GENERAL:			
Instruction and Departmental Research	3,903	4,357	18,918
Separately Budgeted Research	—	—	—
Public Service	1,444	—	2,844
Academic Support	987	1,497	4,032
Student Services	918	1,359	3,682
Institutional Support	970	3,047	8,644
Operation and Maintenance of Plant	985	913	4,613
Scholarships and Fellowships	4,377	2,490	6,655
TOTAL EDUCATIONAL AND GENERAL	13,584	13,663	49,388
AUXILIARY ENTERPRISES	1,625	814	920
HOSPITALS	—	—	—
TOTAL EXPENDITURES	**15,209**	**14,477**	**50,308**
MANDATORY TRANSFERS, NET:			
Principal and Interest	—	—	—
Renewals and Replacements	—	—	—
Other	—	—	—
TOTAL MANDATORY TRANSFERS, NET	**—**	**—**	**—**
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	**15,209**	**14,477**	**50,308**
OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):			
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT	4,485	5,198	21,596
NONMANDATORY TRANSFERS, NET:			
Capital Improvements	—	—	—
Other	—	—	—
ADDITIONS/(DEDUCTIONS):			
Excess of Restricted Receipts over Transfers to Revenue	—	—	—
Indirect Costs Recovered	—	—	—
Other	—	—	—
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	**4,485**	**5,198**	**21,596**
NET INCREASE (DECREASE) IN FUND BALANCES	**$ 131**	**$ 142**	**$ 661**

NORTHWEST STATE COMMUNITY COLLEGE	OWENS STATE COMMUNITY COLLEGE	TOTAL
$ 4,774	$ 21,306	$ 1,647,773
—	—	14,670
1,360	8,343	574,342
1,937	3,540	134,695
—	—	9,834
392	—	371,832
—	—	65,612
—	6,029	1,465,456
280	814	93,333
1,566	386	122,136
10,309	**40,418**	**4,499,683**
6,063	25,065	1,837,458
—	172	485,705
1,147	2,666	256,600
416	2,627	446,912
1,299	7,543	266,061
2,112	6,939	479,108
976	8,914	321,750
1,574	10,900	449,978
13,587	64,826	4,543,572
1,273	6,467	632,168
—	—	786,294
14,860	**71,293**	**5,962,034**
—	—	116,198
—	—	2,821
—	—	850
—	**—**	**119,869**
14,860	**71,293**	**6,081,903**
5,673	35,651	1,725,879
—	(3,019)	(88,292)
—	—	24,677
—	—	183,763
—	—	(93,479)
—	—	(3,581)
5,673	**32,632**	**1,748,967**
$ 1,122	**$ 1,757**	**$ 166,747**

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STATISTICAL SECTION

Table 1

STATE OF OHIO

REVENUE BY SOURCE
ALL GENERAL GOVERNMENTAL FUND TYPES[a]
FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

SOURCE	2001	2000[b]	1999	1998	1997	1996	1995	1994	1993	1992[c]
Income Taxes	$ 8,302,892	$ 8,098,155	$ 7,143,344	$ 6,828,242	$ 5,879,016	$ 5,890,587	$ 5,456,017	$ 5,032,305	$ 4,732,247	$ 4,408,835
Sales Taxes	6,248,705	6,233,089	5,834,299	5,560,402	5,262,460	5,003,024	4,763,109	4,475,796	4,001,398	3,739,576
Corporate and Public Utility Taxes	1,726,263	1,697,970	1,817,641	1,969,190	1,897,439	1,831,300	1,810,396	1,585,557	1,500,475	1,393,528
Motor Vehicle Fuel Taxes	1,457,454	1,459,374	1,445,679	1,399,948	1,351,476	1,332,294	1,293,038	1,290,315	1,189,184	1,160,405
Other Taxes	930,338	913,086	917,505	890,551	872,869	842,688	852,166	881,994	750,120	673,472
Licenses, Permits and Fees [d]	1,219,605	1,156,379	1,137,577	1,109,895	1,073,907	805,605	982,507	927,398	759,001	680,558
Sales, Services and Charges	83,891	86,981	81,731	76,091	79,051	106,517	103,620	66,198	57,831	44,189
Federal Government [e] & [f]	10,433,668	9,321,234	8,697,800	8,349,038	8,454,831	8,435,891	8,305,109	7,314,031	6,376,312	5,847,198
Tobacco Settlement	315,812	412,270	—	—	—	—	—	—	—	—
Investment Income [g]	486,817	443,566	554,915	554,523	418,799	—	—	—	—	—
Other	514,544	481,856	481,748	473,432	436,154	654,457	562,031	744,109	514,339	615,823
Total Revenues by Source	$31,719,989	$30,303,960	$28,112,239	$27,211,312	$25,726,002	$24,902,363	$24,127,993	$22,317,703	$19,880,907	$18,563,584

Notes:

(a) This table includes revenues for the General, special revenue, debt service, and capital projects funds.

(b) For comparative purposes, the revenue data for fiscal year 2000 have been restated for the reclassification of the School Facilities Commission discretely presented component unit from the Special Revenue Fund.

(c) For comparative purposes, the revenue data for fiscal year 1992 have been restated for changes in the State of Ohio's reporting entity that resulted from the implementation of GASB Statement No. 14*, The Financial Reporting Entity*, for fiscal year 1993.

(d) For comparative purposes, the "Licenses, Permits and Fees" revenue for fiscal years 1992 through 1999 have been restated to reflect hospital assessments. Previously, this revenue had been included in "Other" revenue.

(e) For fiscal years 1995 through 2001, federal government revenue includes the effects of recognizing the distribution of food stamp benefits as revenue, in accordance with the reporting requirements of GASB Statement No. 24*, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.* Federal government revenue data for fiscal years 1992 through 1994, however, have not been restated for the effect of this change in accounting principle.

(f) For fiscal year 2001, federal government revenue includes the effects of recognizing nonexchange revenue, in accordance with the reporting requirements of GASB Statement No. 33*, Accounting and Financial Reporting for Nonexchange Transactions.* Federal government revenue data for fiscal years 1992 through 2000, however, have not been restated for the effect of this change in accounting principle.

(g) For fiscal years 1992 through 1996, investment income had been included in "Other" revenue.

STATE OF OHIO

EXPENDITURES BY FUNCTION
ALL GENERAL GOVERNMENTAL FUND TYPES[a]
FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

FUNCTION	2001	2000[b]	1999	1998	1997	1996	1995	1994	1993	1992[c]
Current:										
Primary, Secondary and Other Education	$ 7,194,883	$ 6,634,181	$ 6,403,978	$ 5,927,471	$ 5,449,086	$ 5,251,805	$ 4,850,750	$ 4,599,643	$ 4,497,568	$ 4,195,920
Higher Education Support [d]	506,511	439,137	377,868	354,530	422,482	423,473	407,839	421,041	368,611	327,874
Public Assistance and Medicaid [e]	10,894,942	9,488,379	8,561,652	8,462,208	8,367,021	7,936,578	8,306,686	7,682,159	6,774,178	6,174,833
Health and Human Services	2,555,221	2,613,853	2,548,360	2,485,176	2,328,762	2,333,583	2,197,732	1,974,086	1,854,715	1,723,860
Justice and Public Protection	2,232,421	2,167,402	2,035,739	1,870,507	1,761,521	1,588,026	1,403,177	1,202,815	1,060,778	970,653
Environmental Protection and Natural Resources	340,574	354,180	330,069	315,522	299,607	286,987	273,138	247,324	223,304	226,284
Transportation	1,756,201	1,680,736	1,497,553	1,494,130	1,465,258	1,319,120	1,461,012	1,426,207	1,293,349	1,372,885
General Government	468,791	575,576	661,011	625,275	528,592	371,996	355,154	347,443	335,470	336,046
Community and Economic Development	541,166	452,516	398,905	391,893	344,950	323,277	335,159	337,760	284,061	301,392
Intergovernmental [d]	3,361,184	3,257,632	2,898,094	2,735,799	2,570,501	2,467,137	2,312,160	2,211,669	1,983,308	2,077,469
Capital Outlay [d]	411,817	629,753	1,256,271	1,248,346	1,138,286	884,456	872,236	893,279	739,463	724,823
Debt Service	1,137,537	1,053,995	1,024,125	1,022,418	1,033,948	909,134	801,994	1,064,523	681,207	764,294
Total Expenditures by Function	$31,401,248	$29,347,340	$27,993,625	$26,933,275	$25,710,014	$24,095,572	$23,577,037	$22,407,949	$20,096,012	$19,196,333

Notes:

(a) This table includes expenditures for the General, special revenue, debt service, and capital projects funds.

(b) For comparative purposes, the expenditure data for fiscal year 2000 have been restated for the reclassification of the School Facilities Commission discretely presented component unit from the Special Revenue Fund.

(c) For comparative purposes, the expenditure data for fiscal year 1992 have been restated for changes in the State of Ohio's reporting entity that resulted from the implementation of GASB Statement No. 14, *The Financial Reporting Entity*, for fiscal year 1993.

(d) For comparative purposes, the expenditure data for fiscal year 2000 have been restated for the reclassification of capital outlay expenditures to the higher education support function, the intergovernmental expenditure character, and operating transfers to component units.

(e) For fiscal years 1995 through 2001, expenditures reported under the public assistance and Medicaid function include the effects of recognizing the distribution of food stamp benefits as expenditures, in accordance with the reporting requirements of GASB Statement No. 24*, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.* Public assistance and Medicaid expenditure data for fiscal years 1992 through 1994, however, have not been restated for the effect of this change in accounting principle.

STATE OF OHIO

CONDENSED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE GENERAL FUND FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

	2001[b]	2000	1999	1998[b]	1997[b]	1996	1995[b]	1994	1993[b]	1992
REVENUES:										
Income Taxes	$ 7,446,990	$ 7,243,856	$ 6,389,926	$ 6,107,084	$ 5,257,395	$ 5,268,111	$ 4,879,232	$ 4,486,225	$ 4,270,124	$ 3,880,594
Sales Taxes	5,922,333	5,919,129	5,539,780	5,277,997	4,995,691	4,750,430	4,522,230	4,246,093	3,810,631	3,539,700
Corporate and Public Utility Taxes	1,604,402	1,604,604	1,718,482	1,862,497	1,794,592	1,731,956	1,708,674	1,497,948	1,419,293	1,304,142
Other Taxes	872,706	861,597	869,556	844,815	828,290	802,912	812,957	843,548	712,400	631,830
Licenses, Permits and Fees	101,352	96,954	94,789	96,411	87,511	89,249	81,772	81,761	80,629	76,210
Sales, Services and Charges	40,895	45,738	43,586	38,947	42,031	64,693	65,015	35,556	32,082	24,200
Federal Government	4,508,747	3,993,184	3,658,824	3,385,998	3,563,004	3,672,610	3,451,126	3,533,853	3,276,727	3,083,886
Investment Income [a]	234,590	287,937	399,520	381,574	277,337	—	—	—	—	—
Other	197,029	189,241	183,221	161,077	168,587	302,772	268,114	227,857	189,935	286,191
TOTAL REVENUES	**20,929,044**	**20,242,240**	**18,897,684**	**18,156,400**	**17,014,438**	**16,682,733**	**15,789,120**	**14,952,841**	**13,791,821**	**12,826,753**
EXPENDITURES:										
Current	17,657,987	16,222,066	15,146,494	14,362,166	13,678,474	13,170,207	12,416,565	11,983,625	11,369,030	12,010,762
Intergovernmental	1,189,845	1,081,828	1,033,066	982,955	942,690	898,190	814,803	782,014	741,099	703,853
Capital Outlay	—	24,862	15,607	38,806	123,217	1,969	5,597	5,552	5,524	17,087
Debt Service	2,276	2,320	1,794	1,831	528	1,428	9,740	—	2	—
TOTAL EXPENDITURES	**18,850,108**	**17,331,076**	**16,196,961**	**15,385,758**	**14,744,909**	**14,071,794**	**13,246,705**	**12,771,191**	**12,115,655**	**12,731,702**
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**2,078,936**	**2,911,164**	**2,700,723**	**2,770,642**	**2,269,529**	**2,610,939**	**2,542,415**	**2,181,650**	**1,676,166**	**95,051**
OTHER FINANCING SOURCES (USES):										
Bond Proceeds	—	—	—	—	—	10,159	—	—	—	—
Capital Leases	—	2,668	1,575	4,737	1,107	335	—	—	—	—
Operating Transfers-in	207,488	142,267	201,151	180,176	142,605	93,457	144,114	88,284	89,228	92,392
Operating Transfers-out	(1,061,119)	(1,302,412)	(1,308,827)	(1,142,014)	(847,794)	(807,457)	(660,799)	(626,006)	(554,393)	(493,947)
Operating Transfers to Component Units	(1,864,717)	(1,671,985)	(1,564,910)	(1,520,432)	(1,410,667)	(1,359,487)	(1,276,925)	(1,175,190)	(1,113,491)	—
TOTAL OTHER FINANCING SOURCES (USES)	**(2,718,348)**	**(2,829,462)**	**(2,671,011)**	**(2,477,533)**	**(2,114,749)**	**(2,062,993)**	**(1,793,610)**	**(1,712,912)**	**(1,578,656)**	**(401,555)**
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	**(639,412)**	**81,702**	**29,712**	**293,109**	**154,780**	**547,946**	**748,805**	**468,738**	**97,510**	**(306,504)**
FUND BALANCES, JULY 1	2,521,051	2,640,072	2,611,195	2,319,058	2,167,739	1,656,135	908,212	426,200	327,261	696,642
Increase (Decrease) for Changes in Inventories	(741)	511	(835)	(972)	(2,252)	(889)	(882)	1,265	1,429	185
Residual EquityTransfers-out	—	—	—	—	—	(22,986)	—	—	—	—
FUND BALANCES, JUNE 30	**$ 1,880,898**	**$ 2,722,285**	**$ 2,640,072**	**$ 2,611,195**	**$ 2,320,267**	**$ 2,180,206**	**$ 1,656,135**	**$ 896,203**	**$ 426,200**	**$ 390,323**

(a) For fiscal years 1992 through 1996, investment income had been included in “Other” revenue.

(b) The July 1 fund balance has been restated for fiscal years 1993, 1995, 1997, 1998, and 2001; however, financial activities reported for the respective prior year have not been restated.

STATE OF OHIO

PERCENT OF ANNUAL DEBT SERVICE FOR GENERAL AND SPECIAL BONDED DEBT[(a)] TO TOTAL ALL GENERAL GOVERNMENTAL[(b)] REVENUES AND EXPENDITURES FOR THE LAST TEN FISCAL YEARS

(dollars in thousands)

For the Year Ended June 30,	Total Debt Service Expenditures	Governmental Fund Revenues	Percent	Governmental Fund Expenditures	Percent
2001[(c)]	$ 1,105,541	$31,719,989	3.49%	$31,401,248	3.52%
2000[(c)] [(d)]	1,023,246	30,303,960	3.38%	29,347,340	3.49%
1999[(c)]	993,260	28,112,239	3.53%	27,993,625	3.55%
1998[(c)]	1,004,273	27,211,312	3.69%	26,933,275	3.73%
1997[(c)]	1,014,767	25,726,002	3.95%	25,710,014	3.95%
1996[(c)]	888,693	24,902,363	3.57%	24,095,572	3.69%
1995[(c)]	780,482	24,127,993	3.23%	23,577,037	3.31%
1994	1,033,745	22,317,703	4.63%	22,407,949	4.61%
1993	658,945	19,880,907	3.31%	20,096,012	3.28%
1992[(e)]	743,468	18,563,584	4.00%	19,196,333	3.87%

Notes:

(a) Includes general and special obligation bonds for which debt service payments have been made from the following combining funds in the Debt Service Fund and Capital Projects Fund:

Debt Service Fund
Coal Research/Development General Obligations
Improvements General Obligations
Highway Improvements General Obligations
Development General Obligations
Highway General Obligations
Public Improvements General Obligations
Vietnam Conflict Compensation General Obligations
Local Infrastructure Improvements General Obligations
Higher Education Facilities Special Obligations
Mental Health Facilities Special Obligations
Parks and Recreation Facilities Special Obligations
State Projects General Obligations
School Building Program Special Obligations
Highway Capital Improvements General Obligations
Higher Education Capital Facilities General Obligations
Common Schools Capital Facilities General Obligations
Ohio Building Authority Special Obligations

Capital Projects Fund
Mental Health/Mental Retardation Facilities Improvements
Parks and Recreation Improvements

(b) This table includes revenues and expenditures for the General, special revenue, debt service, and capital project funds.

(c) Revenue and expenditures for fiscal years 1995 through 2001 include the effects of recognizing the distribution of food stamp benefits as revenues and expenditures, in accordance with the reporting requirements of GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance.* Revenue and expenditure data presented for fiscal years 1992 through 1994, however, have not been restated for the effect of this change in accounting principle.

(d) For comparative purposes, the revenue and expenditure data for fiscal year 2000 have been restated for the reclassification of the School Facilities Commission discretely presented component unit from the Special Revenue Fund.

(e) For comparative purposes, the revenue and expenditure data for fiscal year 1992 have been restated for changes in the State of Ohio's reporting entity that resulted from the implementation of GASB Statement No. 14, *The Financial Reporting Entity,* for fiscal year 1993.

STATE OF OHIO

NET GENERAL AND SPECIAL BONDED DEBT[(a)] PER CAPITA FOR THE LAST TEN FISCAL YEARS

For the Year Ended June 30,	Population *(in thousands)*	General and Special Obligation Bonds: Total Outstanding *(in thousands)*	Less Amount Reserved for Debt Service *(in thousands)*	Net Bonded Debt *(in thousands)*	Net Bonded Debt Per Capita
2001	11,353[(b)]	$7,778,092	$108,591	$7,669,501	$676
2000	11,353	7,435,330	112,300	7,323,030	645
1999	11,256	7,024,746	118,549	6,906,197	614
1998	11,210	6,399,741	141,230	6,258,511	559
1997	11,186	6,263,433	254,751	6,008,682	537
1996	11,173	5,753,400	386,059	5,367,341	480
1995	11,150	5,538,663	425,553	5,113,110	459
1994	11,102	5,169,302	440,399	4,728,903	426
1993	11,091	4,658,431	552,339	4,106,092	370
1992	11,016	4,261,059	560,936	3,700,123	336

Source: Population figures were obtained from the Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis

Notes:

(a) Includes general and special obligation bonds for which debt service payments have been made from the following combining funds in the Debt Service Fund and Capital Projects Fund:

Debt Service Fund
Coal Research/Development General Obligations
Improvements General Obligations
Highway Improvements General Obligations
Development General Obligations
Highway General Obligations
Public Improvements General Obligations
Vietnam Conflict Compensation General Obligations
Local Infrastructure Improvements General Obligations
Higher Education Facilities Special Obligations
Mental Health Facilities Special Obligations
Parks and Recreation Facilities Special Obligations
State Projects General Obligations
School Building Program Special Obligations
Highway Capital Improvements General Obligations
Higher Education Capital Facilities General Obligations
Common Schools Capital Facilities General Obligations
Ohio Building Authority Special Obligations

Capital Projects Fund
Mental Health/Mental Retardation Facilities Improvements
Parks and Recreation Improvements

(b) An estimate for fiscal year 2001 was not available; therefore, population data from the prior year was used.

STATE OF OHIO

SCHEDULE OF REVENUE BOND COVERAGE
FOR THE LAST TEN FISCAL YEARS
(dollars in thousands)

Treasurer of State/Office of Business Development (Liquor Bonds)

Fiscal Year	Gross Revenue[a]	Direct Operating Expenses[b]	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2001	$ 454,268	$ 327,083	$ 127,185	$ 4,740	$11,392	$16,132	7.88
2000	428,085	310,620	117,465	4,450	11,685	16,135	7.28
1999	397,018	289,853	107,165	4,175	11,952	16,127	6.65
1998	380,791	276,085	104,706	3,790	12,189	15,979	6.55
1997	366,636	270,525	96,111	9,330	6,738	16,068	5.98
1996	350,744	265,820	84,924	14,410	3,851	18,261	4.65
1995	346,979	267,545	79,434	13,500	4,761	18,261	4.35
1994	341,674	267,368	74,306	12,645	5,608	18,253	4.07
1993	350,914	273,967	76,947	11,800	6,392	18,192	4.23
1992	355,201	281,236	73,965	11,015	7,113	18,128	4.08

Treasurer of State/Office of Business Development (Ohio Enterprise Bonds)

Fiscal Year	Gross Revenue[c]	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2001	$ 2,112	$ —	$ 2,112	$ 1,320	$ 64	$ 1,384	1.53
2000	42,106	—	42,106	1,205	186	1,391	30.27
1999	34,249	—	34,249	1,095	298	1,393	24.59
1998	41,690	—	41,690	1,000	400	1,400	29.78
1997	29,673	—	29,673	910	492	1,402	21.16
1996	26,298	—	26,298	830	577	1,407	18.69
1995	27,733	—	27,733	755	654	1,409	19.68
1994	22,436	—	22,436	690	734	1,424	15.76
1993	21,184	—	21,184	630	788	1,418	14.94
1992	25,892	—	25,892	570	846	1,416	18.29

Infrastructure Bank Revenue Bonds

Fiscal Year	Gross Revenue[d]	Direct Operating Expenses	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2001	$ 11,454	$ —	$ 11,454	$ 7,825	$ 3,606	$ 11,431	1.00
2000	10,140	—	10,140	6,320	3,816	10,136	1.00
1999	10,931	—	10,931	6,775	4,001	10,776	1.01

Notes:

(a) Includes only the revenues reported in the Liquor Control Enterprise Fund.

(b) Includes only the expenses, exclusive of depreciation, reported in the Liquor Control Enterprise Fund.

(c) Includes only the revenues reported in the Enterprise Revenue Bonds Debt Service Fund and operating transfers to the debt service fund from the Community and Economic Development Special Revenue Fund.

(d) Includes only the revenues reported in the Infrastructure Bank Revenue Bonds Debt Service Fund and transfers of federal revenues from the Highway Operating Special Revenue Fund.

Ohio Building Authority Internal Service Fund

Fiscal Year	Gross Revenue[e]	Direct Operating Expenses[f]	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2001	$ 31,106	$ 30,598	$ 508	$ 3,194	$ 1,728	$ 4,922	0.10
2000	30,999	33,862	(2,863)	3,039	1,882	4,921	N/A
1999	29,797	29,097	700	2,893	2,029	4,922	0.14
1998	31,018	25,270	5,748	2,736	2,264	5,000	1.15
1997	27,929	26,913	1,016	3,480	1,801	5,281	0.19
1996	28,251	22,473	5,778	2,602	3,279	5,881	0.99
1995	30,638	22,046	8,592	1,878	4,275	6,153	1.40
1994	33,700	25,763	7,937	2,349	3,881	6,230	1.27
1993	26,924	20,895	6,029	2,222	3,043	5,265	1.15
1992	35,924	22,345	13,579	1,982	4,200	6,182	2.20

Ohio Building Authority/Bureau of Workers' Compensation Enterprise Fund

Calendar/ Fiscal Year[g]	Gross Revenue[h]	Direct Operating Expenses[i]	Net Revenue Available For Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2001	$2,549,227	$4,460,581	$ (1,911,354)	$ 8,000	$ 8,915	$16,915	N/A
2000	4,361,511	3,128,723	1,232,788	7,000	9,209	16,209	76.06
1999	3,625,174	2,462,056	1,163,118	6,000	9,455	15,455	75.26
1998	5,115,778	5,891,409	(775,631)	5,000	9,655	14,655	N/A
1997	4,348,344	2,696,867	1,651,477	4,000	9,807	13,807	119.61
1995	3,365,892	2,264,097	1,101,795	2,000	9,947	11,947	92.23
1994	3,161,387	665,854	2,495,533	2,000	9,947	11,947	208.88
1993	3,158,992	2,375,518	783,474	—	—	—	—

Notes:

(e) Includes only the revenues reported in the Ohio Building Authority Internal Service Fund.

(f) Includes only the expenses, exclusive of depreciation, reported in the Ohio Building Authority Internal Service Fund.

(g) Beginning in fiscal year 1997, the Bureau of Workers' Compensation changed its accounting from calendar year to fiscal year.

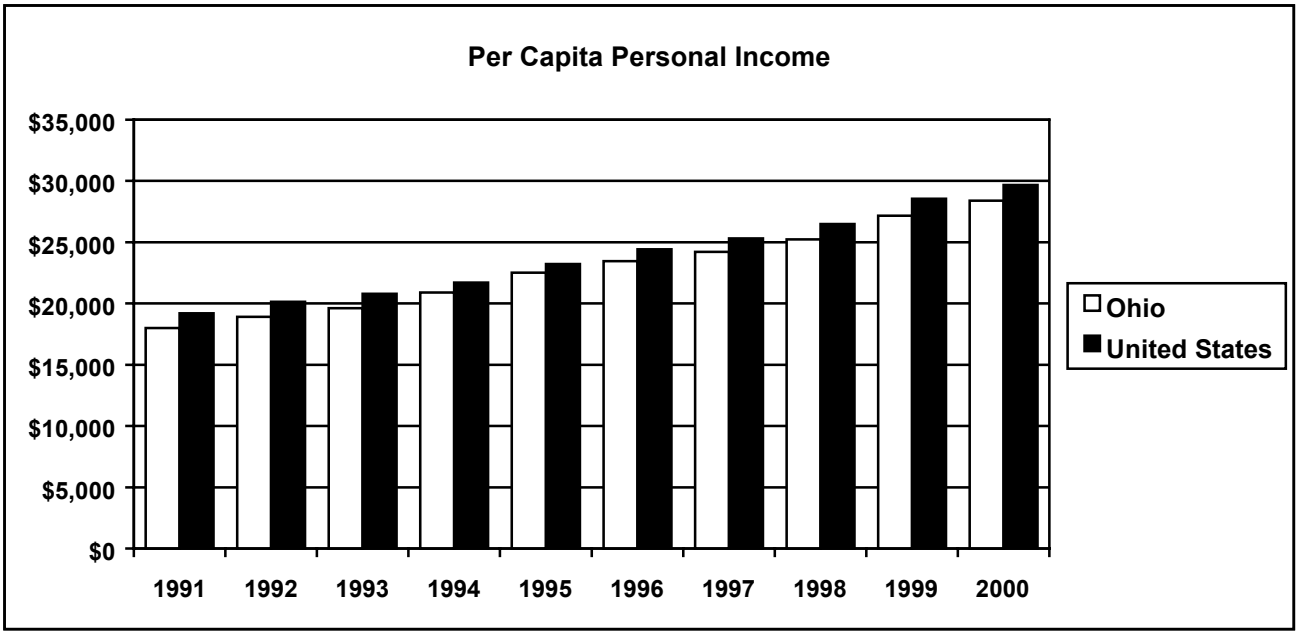
(h) Includes only the revenues reported in the Workers' Compensation Enterprise Fund.

(i) Includes only the expenses, exclusive of depreciation, reported in the Workers' Compensation Enterprise Fund.

STATE OF OHIO

PERSONAL INCOME
OHIO COMPARED TO THE UNITED STATES
FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Ohio's Total Personal Income *(in millions)*	Percent Change	Per Capita Personal Income	
			Ohio	United States
2000	$322,432	5.5%	$28,400	$29,676
1999	305,643	8.0%	27,152	28,542
1998	282,920	4.5%	25,238	26,482
1997	270,741	3.3%	24,203	25,298
1996	262,077	4.4%	23,457	24,426
1995	251,037	8.3%	22,514	23,208
1994	231,843	6.5%	20,883	21,699
1993	217,693	4.4%	19,627	20,781
1992	208,560	5.9%	18,923	20,131
1991	196,927	3.3%	18,001	19,199



Source: U.S. Department of Commerce, Bureau of Economic Analysis

STATE OF OHIO

POPULATION BY AGE GROUP
OHIO COMPARED TO THE UNITED STATES
(in thousands)

OHIO

Age Group	1990	Percent	2000	Percent
Under 5 years	797	7.3%	755	6.6%
5 through 19 years	2,356	21.7	2,461	21.7
20 through 44 years	4,204	38.8	4,054	35.7
45 through 64 years	2,088	19.3	2,575	22.7
65 years and over	1,402	12.9	1,508	13.3
	10,847	100.0%	11,353	100.0%

UNITED STATES

Age Group	1990	Percent	2000	Percent
Under 5 years	18,763	7.5%	19,176	6.8%
5 through 19 years	52,995	21.3	61,297	21.8
20 through 44 years	99,750	40.1	104,004	37.0
45 through 64 years	46,175	18.6	61,953	22.0
65 years and over	31,082	12.5	34,992	12.4
	248,765	100.0%	281,422	100.0%

OHIO'S TOTAL POPULATION AS A PERCENTAGE OF U.S. TOTAL POPULATION

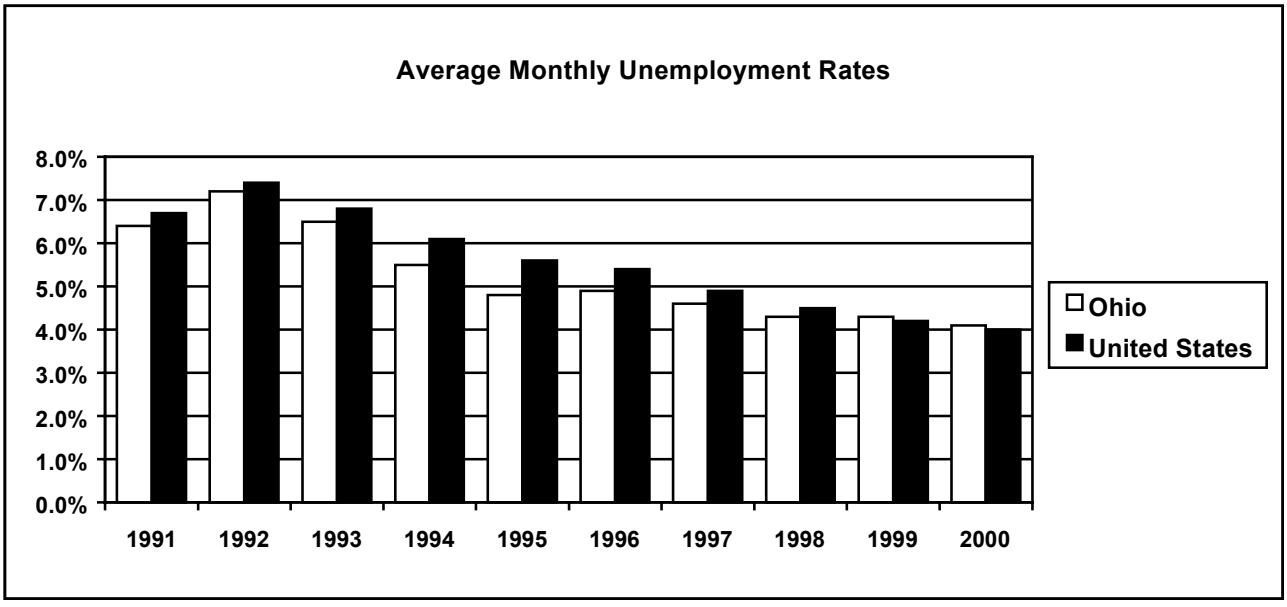
1990			2000		
Ohio	U.S.	Percent	Ohio	U.S.	Percent
10,847	248,765	4.4%	11,353	281,422	4.0%

Source: Current Population Reports — U.S. Bureau of Census

STATE OF OHIO

AVERAGE MONTHLY UNEMPLOYMENT RATES
OHIO COMPARED TO THE UNITED STATES
FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Ohio	United States
2000	4.1%	4.0%
1999	4.3%	4.2%
1998	4.3%	4.5%
1997	4.6%	4.9%
1996	4.9%	5.4%
1995	4.8%	5.6%
1994	5.5%	6.1%
1993	6.5%	6.8%
1992	7.2%	7.4%
1991	6.4%	6.7%



Source: Ohio Department of Job and Family Services

STATE OF OHIO

LIST OF MAJOR CORPORATIONS WITH HEADQUARTERS IN OHIO

AK Steel Holding (Middletown)

American Electric Power (Columbus)

American Financial Group (Cincinnati)

Cardinal Health (Dublin)

Cinergy (Cincinnati)

Consolidated Stores (Columbus)

Cooper Tire and Rubber (Findlay)

Dana Corporation (Toledo)

Eaton Corporation (Cleveland)

Federated Department Stores (Cincinnati)

Fifth Third Bancorp (Cincinnati)

Firstenergy (Akron)

Goodyear Tire & Rubber (Akron)

KeyCorp (Cleveland)

Kroger (Cincinnati)

LTV Corporation (Cleveland)

Limited (Columbus)

Mead Corporation (Dayton)

NCR (Dayton)

National City Corporation (Cleveland)

Nationwide Insurance Enterprise (Columbus)

OfficeMax (Shaker Heights)

Owens-Corning Corporation (Toledo)

Owens-Illinois Incorporated (Toledo)

Parker-Hannifin Corporation (Cleveland)

Procter & Gamble Company (Cincinnati)

Progressive (Mayfield Village)

Sherwin-Williams Company (Cleveland)

TRW Incorporated (Cleveland)

Source: The Fortune 500 Listing, *Fortune Magazine*, April 16, 2001

STATE OF OHIO

CONSTRUCTION CONTRACTS AND RESIDENTIAL BUILDING ACTIVITY FOR THE LAST TEN CALENDAR YEARS

Calendar Year	Construction Contracts *(in millions)*	Residential Building Activity	
		Permits	Valuation *(in thousands)*
2000	$17,100[(a)]	49,745	$6,153,624
1999	17,100	55,880	6,400,599
1998	15,127	48,034	5,410,012
1997	14,617	46,487	4,795,483
1996	14,021	49,280	5,000,781
1995	12,364	44,812	4,375,036
1994	11,935	47,152	4,799,052
1993	11,037	44,235	4,318,976
1992	10,757	42,610	3,926,554
1991	9,442	35,810	3,146,887

Sources: Construction Contracts - F. W. Dodge, McGraw-Hill, Inc., New York, NY
Residential Activity - Current Construction Reports, U.S. Bureau of Census

Notes:

(a) Data for 2000 was not available; therefore, construction contracts data from the prior year was used.

STATE OF OHIO

ASSESSED AND MARKET VALUE OF TAXABLE REAL PROPERTY FOR THE LAST TEN CALENDAR YEARS

(dollars in thousands)

Calendar Year	Assessed Value[(a)]	Market Value
2000	$167,857,658	$479,593,309
1999	156,600,957	447,431,306
1998	142,864,247	408,183,563
1997	137,544,846	392,985,274
1996	129,853,309	371,009,454
1995	121,046,340	345,846,686
1994	116,576,831	333,076,660
1993	110,319,626	315,198,931
1992	102,548,627	292,996,077
1991	99,937,534	285,535,811

Source: Ohio Department of Taxation

Notes:

(a) Assessed value is 35 percent of market value.

STATE OF OHIO

MISCELLANEOUS STATISTICS AND DATA

STATE AND LOCAL GOVERNMENT:

Form of State Government	Executive, Legislative, Judicial
Number of Counties	88
Number of Incorporated Cities and Villages	943
Number of State Agencies, Boards, Commissions, and Elected Offices	111[(a)]
Number of State Employees	63,693
Number of State Representatives	99
Number of State Senators	33

PARKS AND RECREATION:

Number of State Parks	73
Area of State Parks, Natural and Wildlife Lands	301,680.95 acres
Area of State Forest Lands	184,383.25 acres

EDUCATION:

Number of State-Assisted Higher Education Institutions	38
2000-2001 Student Enrollment at State-Assisted Higher Education Institutions	428,880
Number of Public School Districts	612
Number of Joint Vocational School Districts	49

MISCELLANEOUS:

State Capital	Columbus
Date of Statehood	March 1, 1803
State Motto	With God, All Things are Possible
Total Land Acreage	26.4 million acres
Total Farm Acreage	14.9 million acres
Ohio's Three Largest Metropolitan Areas	Cleveland, Cincinnati, Columbus
Largest Source of Federal Financial Support	U.S. Department of Health and Human Services

Sources: Ohio Department of Natural Resources
State of Ohio Official Statement

Notes:

(a) Limited to those entities that have financial activity recorded on the State of Ohio's Central Accounting System.